



# WikiLeaks Document Release

<http://wikileaks.org/wiki/CRS-RL31002>

February 2, 2009

Congressional Research Service

Report RL31002

*Appropriations for FY2002: Treasury, Postal Service,  
Executive Office of the President, and General Government*

Sharon S. Gressle, Government and Finance Division

Updated January 16, 2002

**Abstract.** This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity.

WikiLeaks

# CRS Report for Congress

Received through the CRS Web

## **Appropriations for FY2002: Treasury, Postal Service, Executive Office of the President, and General Government**

**Updated January 16, 2002**

Sharon S. Gressle, Coordinator  
Government and Finance Division

Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Treasury, Postal Service, and General Government. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

**NOTE: A Web version of this document with active links is available to congressional staff at:  
[<http://www.crs.gov/products/appropriations/apppage.shtml>].**

# Appropriations for FY2002: Treasury, Postal Service, Executive Office of the President, and General Government

## Summary

The Treasury, Postal Service, Executive Office of the President, and General Government FY2002 appropriation, P.L. 107-67, totals \$32.4 billion. Congressional Budget Office scorekeeping puts the totals at \$32.8 billion (\$15.7 billion mandatory and \$17.1 discretionary. The House passed an appropriation totaling \$32.7 billion. The Senate-passed bill would have funded the accounts at \$32.8 billion. The conference agreement would provide a 4.6% pay adjustment in January 2002 for federal civilian employees. Several of the accounts within the bill are also receiving funding through the Emergency Response Fund under P.L. 107-38 and P.L. 107-117.

On April 9, 2001, President George W. Bush submitted his FY2002 budget to Congress. The budget documents show, for accounts funded through the Treasury, Postal Service, and General Government appropriations bill, a proposed FY2002 discretionary budget authority of \$16.6 billion and proposed outlays of \$16.3 billion. This represents a \$1 billion increase over the FY2001 enacted estimates (estimates do not reflect the enacted FY2001 supplemental). Realistically, the estimates which were offered earlier in the year are no longer current. Several of the covered accounts fund activities affected either directly by, or as a consequence of response to, the attacks of September 11.

Accounts in the Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, U.S. Customs Service, U.S. Secret Service, and the General Services Administration usually receive funding for functions related to countering terrorism. Emergency Response Fund allocations, as provided by P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY2001, have gone to accounts in the Department of the Treasury, the Executive Office of the President and the General Services Administration. To date, those accounts have been allocated \$147.5 million from the Emergency Response Fund. Those allocations are not included in the totals above.

Pursuant to recent negotiations, between the White House and Congress, on new overall funding levels, the October 9 House allocation for the spending allocations for the Treasury and General Government accounts remain at \$17.022 billion. The Senate Appropriations Committee allocated \$17.118 billion on October 11.

## Key Policy Staff

| Area of Expertise                        | Name             | CRS Division | Tel.   |
|--|------------------|--------------|--------|
| Bureau of Alcohol, Tobacco, and Firearms | William Krouse   | DSP          | 7-2225 |
| Council of Economic Advisers             | Pauline Smale    | G&F          | 7-7832 |
| Customs Service                          | William Krouse   | DSP          | 7-2225 |
| Cuba                                     | Mark Sullivan    | FDT          | 7-7689 |
| Department of the Treasury               | Gary Guenther    | G&F          | 7-7742 |
| Debt Management                          | James Bickley    | G&F          | 7-7794 |
| Executive Office of the President        | Barbara Schwemle | G&F          | 7-8655 |
| Federal Child Care                       | Melinda Gish     | DSP          | 7-4618 |
| Federal Election Commission              | Joseph Cantor    | G&F          | 7-7876 |
| Federal Employee Health Care Policy      | Carolyn Merck    | DSP          | 7-7320 |
| Federal Employee Pension Policy          | Patrick Purcell  | DSP          | 7-7571 |
| General Services Administration          | Stephanie Smith  | G&F          | 7-8674 |
| Independent Agencies                     | Sharon Gressle   | G&F          | 7-8677 |
| Internal Revenue Service                 | Gary Guenther    | G&F          | 7-7742 |
| National Archives                        | Harold Relyea    | G&F          | 7-8679 |
| Office of Government Ethics              | Mildred Amer     | G&F          | 7-8304 |
| Office of Personnel Management           | Barbara Schwemle | G&F          | 7-8655 |
| Olympic Games                            | Gary Galemore    | G&F          | 7-8671 |
| Postal Service                           | Nye Stevens      | G&F          | 7-0208 |
| Presidential Salary                      | Sharon Gressle   | G&F          | 7-8677 |
| Procurement Reform                       | Stephanie Smith  | G&F          | 7-8674 |
| Secret Service                           | Stephanie Smith  | G&F          | 7-8674 |
| Terrorism                                | Sharon Gressle   | G&F          | 7-8677 |

## Contents

|  |    |
|--|----|
| Most Recent Developments .....                                     | 1  |
| Introduction .....   | 1  |
| Rescissions .....  | 3  |
| Performance Plans .....  | 3  |
| Status and Legislative History .....                               | 5  |
| Hearings .....   | 5  |
| House Committee Action .....                                       | 5  |
| House Rule .....   | 5  |
| House Consideration and Passage .....                              | 6  |
| Senate Committee Action .....                                      | 7  |
| Senate Consideration and Passage .....                             | 7  |
| Conferees Appointed .....  | 8  |
| Conference Agreement .....   | 8  |
| Presidential Action .....  | 9  |
| Continuing Resolution .....  | 10 |
| Treasury and General Government Appropriations, FY2002 .....       | 10 |
| Budget and Key Policy Issues .....                                 | 10 |
| Department of the Treasury .....                                   | 10 |
| Bureau of Alcohol, Tobacco, and Firearms (ATF) .....               | 12 |
| Customs Service .....  | 13 |
| Internal Revenue Service (IRS) .....                               | 17 |
| U. S. Secret Service .....   | 18 |
| U.S. Postal Service .....  | 19 |
| Semipostals .....  | 20 |
| Shipping Day-Old Poultry .....                                     | 21 |
| Conference Directives .....  | 21 |
| Executive Office of the President and Funds Appropriated to        |    |
| the President .....  | 21 |
| Compensation of the President .....                                | 22 |
| White House Office .....   | 22 |
| Executive Residence (White House) .....                            | 22 |
| Special Assistance to the President (Office of the Vice President) |    |
| and Official Residence of the Vice President .....                 | 23 |
| Council of Economic Advisers (CEA) .....                           | 24 |
| Office of Policy Development .....                                 | 24 |
| National Security Council (NSC) .....                              | 24 |
| Office of Administration .....                                     | 24 |
| Office of Management and Budget (OMB) .....                        | 25 |
| Office of National Drug Control Policy (ONDCP) .....               | 25 |
| Federal Drug Control Programs .....                                | 25 |
| Unanticipated Needs .....  | 26 |
| Independent Agencies .....   | 27 |
| Federal Election Commission (FEC) .....                            | 27 |
| Federal Labor Relations Authority (FLRA) .....                     | 28 |

|   |    |
|---|----|
| General Services Administration (GSA) .....                 | 28 |
| Merit Systems Protection Board (MSPB) .....                 | 31 |
| National Archives and Records Administration (NARA) .....   | 31 |
| Office of Government Ethics (OGE) .....                     | 33 |
| Office of Personnel Management (OPM) .....                  | 33 |
| Office of Special Counsel (OSC) .....                       | 34 |
| General Provisions .....                                    | 35 |
| Administration General Provision Proposals .....            | 37 |
| <br>Terrorism .....   | 39 |
| Counterterrorism Activity Funding — OMB Annual Report ..... | 39 |
| Emergency Response Fund .....                               | 41 |
| Emergency Supplemental Authorized Under P.L. 107-38 .....   | 41 |
| Office of Homeland Security .....                           | 42 |
| <br>Federal Personnel Issues .....                          | 53 |
| Pay .....   | 53 |
| General .....   | 53 |
| Federal Wage System .....                                   | 53 |
| Members of Congress, Judges, and Other Officials .....      | 54 |
| President .....   | 54 |
| Federal Employees Health Benefits Program .....             | 55 |
| Federal Child Care .....                                    | 56 |
| Federal Retirement .....                                    | 56 |
| <br>Privacy Provisions .....                                | 57 |
| 2002 Winter Olympics and Paralympics .....                  | 57 |
| Cuban Travel Restrictions .....                             | 60 |
| Major Funding Trends .....                                  | 60 |
| <br>General Government Function (800) .....                 | 68 |
| Department of the Treasury .....                            | 68 |
| Internal Revenue Service .....                              | 68 |
| Financial Management Service (FMS) .....                    | 68 |
| Bureau of the Public Debt .....                             | 68 |
| U.S. Mint .....   | 69 |
| Bureau of Engraving and Printing .....                      | 69 |
| General Services Administration .....                       | 69 |
| Office of Personnel Management .....                        | 69 |
| Office of Management and Budget .....                       | 70 |
| Tax Incentives .....  | 70 |
| <br>Glossary of Budget Process Terms .....                  | 71 |
| For Additional Reading .....                                | 73 |
| Congressional Documents .....                               | 73 |
| CRS Products .....  | 73 |
| Other Readings .....  | 76 |
| Selected World Wide Web Sites .....                         | 77 |

## List of Tables

|   |    |
|---|----|
| Table 1. Status of FY2002 Appropriations for the Treasury, Postal Service, Executive Office of the President, and General Government .....                      | 9  |
| Table 2. Department of the Treasury and General Services Administration Funding to Combat Terrorism Including Defense Against Weapons of Mass Destruction ..... | 40 |
| Table 3. Emergency Response Fund Allocations .....  | 44 |
| Table 4. Emergency Supplemental Allocation Request and Enactment .....  | 48 |
| Table 5. Appropriations for the Treasury, Postal Service, Executive Office of the President, and General Government, FY1997 to FY2001 .....                     | 62 |
| Table 6. Treasury, Postal Service, Executive Office of the President, and General Government Appropriations, FY2002, by Title and Major Accounts .....          | 63 |
| Table 7. Department of the Treasury, Postal Service, Executive Office of the President, and General Government Appropriations .....                             | 64 |

# Appropriations for FY2002: Treasury, Postal Service, Executive Office of the President, and General Government

## Most Recent Developments

*P.L. 107-67 (H.R. 2590), Department of the Treasury, Postal Service, Executive Office of the President, and General Government Appropriations for FY2002, was approved by the President November 12.*

*Congress has received several messages from the President allocating funds from the Emergency Response Fund by P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY2001. P.L. 107-38 also authorized additional emergency funding which was enacted under P.L. 107-117, Division B, FY2002 Defense Appropriation. Several accounts in the Treasury and General Government appropriation are affected. (See **Terrorism** section of this report for more details.)*

*On December 28, the President signed Executive Order 13249, establishing the federal pay schedules effective January 2002.*

## Introduction

The President, through the Office of Management and Budget (OMB), is required to submit to Congress, annually, the Budget of the United States Government. The FY2002 budget was submitted to Congress on April 9, 2001.<sup>1</sup> In late February 2001, the President and the Office of Management Budget released *A Blueprint for New Beginnings, A Responsible Budget for America's Priorities*.<sup>2</sup> It is intended to present a 10-year budget plan and provides more of an overview than

---

<sup>1</sup> U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2002*, April 9, 2001 (Washington: GPO, 2001). Hereinafter the budget documents will be cited as *FY2002 Budget* with the specific document noted.

<sup>2</sup> U.S. Executive Office of the President, Office of Management and Budget, *A Blueprint for New Beginnings, A Responsible Budget for America's Priorities* (Washington: GPO, 2001), 207 p. Available at [<http://www.gpo.gov/usbudget/index.html>].

details on specific accounts.<sup>3</sup> In summary, the proposed budget would fund the accounts in the Treasury and General Government appropriations legislation at \$16.6 billion (discretionary).<sup>4</sup> This is more than a \$1 billion over the estimated FY2001 funding levels, not taking into consideration the supplemental funding subsequently enacted.

Under the budget procedures, Congress adopts a concurrent resolution establishing the congressional budget for the government and setting forth budgetary levels for several years in the future. The House and Senate Appropriations Committees then allocate the discretionary funding levels (302(b)) allocations to each of the subcommittees. Those allocations are subject to change. Subsequent to the September 11 attacks and the need for reordering funding priorities, Congress and the White House negotiated and new allocations were developed. For accounts covered in this bill the House allocated, on October 9, \$17.022 billion and the Senate, on October 11, allocated \$17.118 billion.

With the FY2001 supplemental<sup>5</sup> funding factored in, the total FY2001 estimated funding for these accounts is \$16.7 billion in discretionary funding. The conference agreement would provide \$17.069 billion in discretionary funding. This falls between the House and Senate allocations.<sup>6</sup>

Appropriations for the Department of the Treasury, in addition to funding the operations of the department, fund the work of a group of law enforcement organizations, which include the Bureau of Alcohol, Tobacco, and Firearms; the Customs Service; the Secret Service; the Financial Crimes Enforcement Network; and the Federal Law Enforcement Training Center. Treasury appropriations also cover the Internal Revenue Service, the Financial Management Service, and the Bureau of the Public Debt.

For the most part, the U. S. Postal Service has become self-supporting. Federal contributions are limited to payments to the Postal Service Fund to compensate for revenues forgone (e.g., free postal service for the blind.)

Appropriations for the Executive Office of the President provide salaries and expenses for the White House Office, operations of the residences of the President and Vice President, and most other agencies within the Executive Office of the President (EOP). Organizations such as the Council of Economic Advisers, the National Security Council, the Office of Management and Budget, and the Office of National Drug Control Policy (ONDCP) are funded through these provisions.

---

<sup>3</sup> For discussion of the of the accounts in the FY2001 Treasury, Postal Service, Executive Office of the President, and General Government appropriations, see CRS Report RL30502, *Appropriations for FY2001: Treasury, Postal Service, Executive Office of the President, and General Government*, coordinated by Sharon S. Gressle.

<sup>4</sup> *FY2002 Budget, Budget*, Table S-7, p. 227.

<sup>5</sup> P.L. 107-20; July 24, 2001; 115 Stat. 155.

<sup>6</sup> Based on data provided by the House Committee on Appropriations, Oct. 26, 2001.

Specific funding for drug control initiatives is appropriated for distribution to other entities by the ONDCP.

Among the independent agencies financed through this appropriation are the Federal Election Commission, the General Services Administration, the National Archives and Records Administration, the Office of Personnel Management, the Office of Special Counsel, and the United States Tax Court.

The Treasury and General Government appropriation always has at least two titles in addition to the four covering the funding for specific agencies. These general titles apply restrictions or “rules of the road” governmentwide and, quite often, contain authority for defined actions. For example, each year, there is standard language which prohibits the use of any appropriated funds for the purpose of employing individuals who are not U.S. citizens or citizens of nations either specified in that section of the act or on the State Department list of nations covered by treaties; which requires that all agencies maintain drug-free workplaces; and which authorizes the expenditure of funds appropriated under any act to be used to pay the travel expenses of immediate family members if a federal employee serving overseas has died or has a life-threatening illness.

## Rescissions

As part of the Consolidated Appropriations Act of 2001, P.L. 106-554, there was a .22% across-the-board rescission of FY2001 discretionary budget authority and obligation limitations funds (section 1403, H.R. 4577/H.R. 5666).<sup>7</sup> All accounts in the Treasury and General Government appropriations are affected. The Office of Management and Budget (OMB) is required to report on the implementation of the rescission when the FY2002 budget is submitted. On January 5, 2001, the Office of Management Budget issued guidelines to the agencies.<sup>8</sup>

The budget documents submitted to Congress April 9, 2001 provide account-by-account details on the rescission.<sup>9</sup> The total rescission of FY2001 funds was \$1,088,962,000. The rescission amounts for the accounts discussed in this report will be presented in the context of the account presentation below.

## Performance Plans

The funding decisions for agencies are increasingly referencing the performance plans, goals, and measures set by the agencies. Some of the general goals are discussed below in the “General Government Function” section. Specific goals and

---

<sup>7</sup> See: CRS Report RS20758, *The .22 Percent Across-the-Board Cut in FY2001 Appropriations*, and CRS Report RS20756, *FY2001 Consolidated Appropriations Act: Reference Guide*, both by Robert Keith.

<sup>8</sup> U.S. Office of Management and Budget, Rescission of FY2001 Discretionary Budget Authority, Bulletin No. 01-03 to the heads of executive departments and agencies, Jan. 5, 2001. [<http://www.whitehouse.gov/OMB/bulletins/b01-03.html>]

<sup>9</sup> *FY2002 Budget, Analytical Perspectives*, pp. 337-358.

measures can be found in the *Budget Appendix* for some of the agency accounts. For example, the Internal Revenue Service in the Department of the Treasury sets out a substantial series of “Key Operational Measures and Performance Indicators.” These are organized by FY2000 actual, the FY2001 Performance Plan, and the FY2002 President’s Budget.<sup>10</sup>

The FY2001 funding levels in the text and tables in this report were provided by the House Appropriations Committee, reduced by the rescission data found in the FY2002 budget. The FY2002 funding levels in the text and tables are, unless otherwise noted, those provided by the House Committee on Appropriations. These figures, rather than those found in the budget submission, are used because they are the basis on which appropriators make their decisions and provide the most recent updated information.

The Budget documents provided by the Office of Management and Budget and the appropriations bills do not necessarily follow the same organization of accounts. For example, not all of the agencies which are organizationally within the Executive Office of the President, as found in the budget, are funded through the Treasury, Postal Service, and General Government appropriations legislation. Also, the FY2002 and FY2001 individual account data in this report do not reflect scorekeeping by the Congressional Budget Office.

See the glossary for definitions of discretionary and mandatory spending. In some instances, the mandatory levels drive up the percent of increase represented in the appropriation. The appropriators are bound by those entitlements under permanent law and control only the discretionary spending levels. The data in the tables and the funding levels provided in the text, unless otherwise noted, reflect the mandatory and discretionary funding combined.

**FTE**, or full-time equivalent, is a budgetary term and does not represent the number of personnel employed by, or the number of actual positions allowed in, a department or agency. The FTE number is calculated by dividing the total number of staff hours worked in a given 12-month period (usually the fiscal year) by the total number of hours in a workyear (2087). The number of on-board personnel at any given time and the total number of people working in the organization during the course of the year are two entirely different statistical results. Seasonal employment and part-time employment are two factors which make the FTE and actual employment figures differ.

---

<sup>10</sup> *FY2002 Budget*, Appendix, p. 861.

## Status and Legislative History

Bills are introduced in the House and Senate when the Committees on Appropriations have completed markup on the provisions. Usually the Treasury, Postal Service, Executive Office of the President, and General Government Subcommittees draft legislation and the accompanying reports. The full committees use these documents as a basis for discussion and mark up. From the time legislation is introduced, and through enactment, the status will be noted in Table 1.

**Hearings.** Hearings in the House subcommittee began March 21, with nine scheduled between then and May 10.<sup>11</sup> Hearings in the Senate began April 26, with three additional sessions through May 17.<sup>12</sup>

**House Committee Action.** On July 11, 2001, the Subcommittee on Treasury, Postal Service, and General Government, by voice vote, approved a spending measure. The full House Committee on Appropriations, also by voice vote, approved the measure on July 17, 2001. H.R. 2590 was introduced July 23, 2001, accompanied by H.Rept. 107-152.<sup>13</sup>

**House Rule.** On July 24, the House Committee on Rules issue a special rule (H. Res. 206) for the consideration of H.R. 2590.<sup>14</sup> It was an open rule providing one hour of general debate equally divided and waiving all points of order against the bill. It provided that the amendments printed as part of the rule (one related to Olympics funding and one related to the Department of the Treasury Expanded Access account) would be considered as adopted. Points of order were waived against provisions of the bill for failure to comply with rule XXI (prohibiting unauthorized or legislative provisions in a general appropriations bill) and against amendment number 5 (affecting travel between the United States and Cuba), if it properly offered. It provided that the bill will be considered by paragraph and instructed the Chairman of the Committee of the Whole to accord priority in recognition to Members who have pre-printed their amendments in the *Congressional Record*.<sup>15</sup> The rule was adopted July 25 (Roll No. 267, 293-129, H4549-53).

---

<sup>11</sup> The House subcommittee's hearing schedule can be found at [<http://www.house.gov/appropriations/hearings/hear02tp.htm>].

<sup>12</sup> The Senate subcommittee's hearing schedule can be found at [<http://www.senate.gov/~appropriations/hearing.htm>].

<sup>13</sup> U.S. Congress, House Committee on Appropriations, *Treasury, Postal Service, and General Government Appropriations Bill, 2002*, a report to accompany H.R. 2590, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. No. 107-152, July 23, 2001 (Washington: GPO, 2001). Referred to hereafter as House Report.

<sup>14</sup> H. Res. 206, H. Rept. 107-158. See [<http://www.house.gov/rules/107rule2590.htm>].

<sup>15</sup> See, "Amendments," *Congressional Record*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., July 24, 2001, p. H4542.

**House Consideration and Passage.** By a vote of 334-94 (Roll No. 274), on July 25, 2001, the House considered and passed, amended, H.R. 2590.<sup>16</sup> The amendments **agreed to** were

- an amendment offered by Rep. Istook which would consolidate appropriations for various accounts with Title, III, the Executive Office of the President (H4570-71),
- an amendment offered by Rep. Collins making available \$14 million from the Federal Buildings Fund for a National Archives and Records Administration building in Georgia (H4588-89),
- an amendment offered by Rep. Traficant which would prohibit funds to any person or entity that have been convicted of violating the Buy American Act (H4589-90),
- an amendment offered by Rep. Barney Frank that would prohibit payments to persons appointed to positions, for which he or she had been nominated, after the Senate has voted not to confirm the appointment (H4590-92),
- an amendment offered by Rep. Sanders that would prohibit the release of merchandise for which the U.S. Customs Service has a detention order on the basis that it was made by forced or indentured child labor (H4593-94),
- an amendment offered by Rep. Flake, as a substitute to an amendment offered by Rep. Smith, that would prohibit funding to administer the Cuban Assets Control Regulations with respect to any travel or travel-related transaction (Roll No. 270, 240-186, H4599-H4604, H4607), and
- the Smith amendment, as amended by the Flake amendment (H4598-H4604, H4607). (See discussion below under “Cuban Travel Restrictions.”)

The House **rejected**

- an amendment offered by Rep. Inslee that would have stricken the provision (see section 634 under general provisions discussion below) which would clarify that the Department of the Navy is responsible for the costs of utilities at the residence of the Vice President (Roll No. 268, 141-285, H4577-86, H4595)
- an amendment offered by Rep. Hinchey that would have stricken the provision (see section 635 under general provisions discussion below) which would authorize the Secretary of the Navy to accept consumable goods for use at official functions at the residence of the Vice President (Roll No. 269, H4586-88, H4595-96),
- an amendment offered by Rep. Wynn that would have prohibited funding for any new service procurement arrangements unless competed under the provisions of the Federal Activities Inventory Reform Act of 1998 (P.L. 105-270) (H4596-98),
- an amendment offered by Rep. Rangel that would have prohibited funding to implement, administer, or enforce the economic embargo of Cuba except for provisions that relate to the denial of foreign tax credits or the implementation

---

<sup>16</sup> “Treasury and General Government Appropriations Act, 2002,” *Congressional Record*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., July 25, 2001, pp. H4553-46222. Hereafter referred to as House Passage.

of the Harmonized Tariff Schedule of the United States (Roll No. 271, 201-227, H4604-07, H4607-08),

- an amendment by Rep. Traficant that would have prohibited bonus or incentive payments to senior officials of the Internal Revenue Service (Roll No. 272, 24-401, H4608-09, H4620-21), and
- an amendment offered by Rep. Filner that would have prohibited funding to implement the final report of the President's Commission to Strengthen Social Security (Roll No. 273, 188-238, H4614-20, H4621).

Two amendments were withdrawn (Rep. Weldon (FL) prohibiting implementation of certain proposed IRS regulations and Rep. Hastings (FL) increasing funding for the Federal Elections Commission for updated state and local voting systems). A point of order was sustained against a proposal to establish a commission to oppose the privatization of Social Security (Rep. Kucinich). Also rejected was a motion to report the bill back to the House for the purpose of striking the enacting clause (Rep. Obey).

**Senate Committee Action.** On July 26, the Senate Committee on Appropriations, by a vote of 29-0, approved a spending measure. S. 1398 was introduced September 4, 2001, accompanied by S. Rept. 107-57.<sup>17</sup>

**Senate Consideration and Passage.** On September 19, the Senate, by voice vote, passed H.R. 2590, amended.<sup>18</sup> All offered amendments were **agreed to**:

- Amendment No. 1570, offered by Senators Dorgan and Campbell which would substitute the language of S. 1398 for that of H.R. 2590, as referred by the House (S9477),
- Amendment No. 1575, offered by Senators Dorgan and Campbell which would make "technical amendments and further improvements" by language changes in the National Archives account text, by adding new general provisions sections in the General Services Administration section (striking language in the FY2001 statute and directing deed transfer action for a specific parcel), stipulating a portion of Federal Law Enforcement Training Center funds for participant per diem, adding a new general provision section changing the reporting deadline of the United States-China Security Review Commission, changing the allocation for the Midwest HIDTA under the federal drug control program, amending the appointing authority of the Archivist of the United States with regard to the directors of the presidential archival depositories, by adding a funding allocation in the U.S. Customs Service account for developing a curriculum for the training of law enforcement dogs to combat and respond to terrorist activities, and by adding a general provisions section

---

<sup>17</sup> U.S. Congress, Senate, Committee on Appropriations, *Treasury and General Government Appropriation Bill, 2002*, a report to accompany S. 1398, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., S. Rept. No. 107-57, September 4, 2001 (Washington: GPO, 2001). Referred to hereafter as Senate Report.

<sup>18</sup> "Treasury and General Government Appropriations Act, 2002," *Congressional Record*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., Sept. 19, 2001, pp. S9470-77, S9485-86, S9489-90, and S9491-9497. Hereafter referred to as Senate Passage.

- reauthorizing the breast cancer research special postage stamp (S9526 (text) and S9489-90 consideration and adoption),
- Amendment No. 1576, offered by Senators Bingaman and Domenici which would authorize state, regional, or local transportation authorities that receive Federal Transit Administration assistance or grants, to purchase heavy-duty transit buses through GSA (S9491),
- Amendment No. 1578, offered by Senator Dorgan for Senator Kohl for the purpose of improving the collection of information relating to the introduction of foreign animal disease (S9491-92),
- Amendment No. 1577, offered by Senator Dorgan for Senator Campbell to provide that the Postal Service may require any air carrier to accept as mail shipments of day-old poultry and such other live animals as postal regulations allow to be transmitted as mail matter (S9491-92),
- Amendment No. 1573, offered by Senators McConnell and Burns to authorize the Secretary of the Treasury to issue War Bonds in support of recovery and response efforts relating to the September 11, 2001 highjackings and attacks on the Pentagon and the World Trade Center (S9485-86, S9493, S9526 (text)),
- Amendment No. 1574, as modified, offered by Senator Dorgan for Senator Johnson to authorize the Secretary of the Treasury to issue Unity Bonds in support of recovery and response efforts relating to the September 11, 2001 highjackings and attacks on the Pentagon and the World Trade Center (S9487-88, S9493, S9526 (text)),
- Amendment No. 1579, offered by Senator Dorgan for Senator Hollings to designate the G. Ross Anderson, Jr. Federal Building and Courthouse in Anderson, South Carolina (S9493),
- Amendment No. 1583, offered by Senator Dorgan for Senator Clinton, *et al*, to provide that the Postal Service may issue a special commemorative postage stamp in order to provide financial assistance to the families of emergency relief personnel killed or permanently disabled in the line of duty in connection with the terrorist attacks against the United States on September 11, 2001(S9494-95, S9547(text)), and
- Amendment No. 1584, offered by Senator Dorgan for Senator Hatch to designate the state of Utah as a High Intensity Drug Trafficking Area and to provide funding (S9495, S9547 (text)),

**Conferees Appointed.** On September 19, the Senate insisted on its amendment and requested a conference with the House. Senate conferees were named: Senators Dorgan, Mikulski, Landrieu, Reed, Byrd, Campbell, Shelby, DeWine, and Stevens. On October 5, House conferees were named: Representatives Istook, Wolf, Northrup, Sununu, Peterson (Pennsylvania), Tiahrt, Sweeney, Sherwood, Young (Florida), Hoyer, Meek, Price, Rothman, Visclosky, and Obey.

**Conference Agreement.** On October 26, 2001 the conferees filed the report reflecting their agreement on H.R. 2590.<sup>19</sup> The Senate version of the bill was used as

---

<sup>19</sup> U.S. Congress, House of Representatives, *Making Appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and* (continued...)

the basic vehicle for the conference. Directions to the agencies contained in the House and Senate reports are to be fulfilled. Dates, since gone, specified in the provisions as passed were extended to January 2, 2002. There were several funding differences in the two versions and those are discussed below in the Budget and Policy Issues section for the various organizations.

On October 31, 2001, the House, on a vote of 339-85 (Roll No. 413), agreed to the conference language.<sup>20</sup> The previous day the House had agreed that it would be in order to consider the conference report at any time and to waive all points of order against the conference report and its consideration.<sup>21</sup> Following an unanimous consent agreement providing for consideration, the Senate, on November 1, agreed to the conference report on a vote of 83-15 (Vote No. 321).<sup>22</sup>

**Presidential Action.** President Bush approved P.L. 107-67 on November 12, 2001.<sup>23</sup>

**Table 1. Status of FY2002 Appropriations for the Treasury, Postal Service, Executive Office of the President, and General Government**

(See Table 7 for breakdown of accounts within bills.)

| Subcommittee Markup |        | House Report                  | House Passage              | Senate Report                | Senate Passage            | Conf. Report                   | Conference Report Approval |                 | Public Law             |
|---------------------|--------|-------------------------------|----------------------------|------------------------------|---------------------------|--------------------------------|----------------------------|-----------------|------------------------|
| House               | Senate |                               |                            |                              |                           |                                | House                      | Senate          |                        |
| July 11             | --     | July 17<br>H.Rept.<br>107-152 | July 25<br>vote:<br>334-97 | Sept. 4<br>S.Rept.<br>107-57 | Sept. 19<br>voice<br>vote | Oct. 26<br>H. Rept.<br>107-253 | Oct. 31<br>339-85          | Nov. 1<br>83-15 | Nov. 12<br>P.L. 107-67 |

---

<sup>19</sup> (...continued)

*Certain Independent Agencies, for the Fiscal Year ending September 30, 2002, and for Other Purposes*, a conference report to accompany H.R. 2590, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. 107-253, Oct. 26, 2001 (Washington: GPO, 2001). Referred to hereafter as Conference Report.

<sup>20</sup> "Conference Report on H.R. 2590, Treasury and General Government Appropriations Act, 2002," *Congressional Record*, daily edition, vol. 147, Oct. 31, 2001, pp. H7536-45, H7557-58.

<sup>21</sup> "Making in Order at Any time Consideration of Conference Report on H.R. 2590, Treasury and General Government Appropriations Act of 2002," *Congressional Record*, daily edition, vol. 147, Oct. 30, 2001, p. H7380.

<sup>22</sup> "Treasury and General Government Appropriations Act, 2002 – Conference Report," *Congressional Record*, daily edition, vol. 147, Nov. 1, 2001, pp. 11329-33, S11344-45.

<sup>23</sup> P.L. 107-67; Nov. 12, 2001; 115 Stat. 514.

# Continuing Resolution

On September 28, 2001 the President approved P.L. 107-44<sup>24</sup> The continuing resolution funded unappropriated accounts through October 16. The funding is available for programs in effect during FY2001 and funded at the rates current as of the close of FY2001. On October 12, P.L. 107-48 (H. J. Res. 68) was signed, extending the funding through October 23. P.L. 107-53 (H. J. Res. 69, October 22, 2001) further amended P.L. 107-44 to fund the accounts through October 31. P.L. 107-58 (October 31, H. J. Res. 70) provided funding through November 16. With the approval of P.L. 107-67, the accounts in the Treasury and General Government Appropriation were no longer subject to the continuing resolutions.

## Treasury and General Government Appropriations, FY2002

### Budget and Key Policy Issues

#### Department of the Treasury

The Department of the Treasury performs four basic functions: (1) formulating, recommending, and implementing economic, financial, tax, and fiscal policies; (2) serving as the financial agent for the federal government; (3) enforcing federal financial, tax, tobacco, alcoholic beverage, and gun laws; and (4) producing all postage stamps, currency, and coinage. Viewed at its most basic level, the department consists of two components: departmental offices and operating bureaus. The departmental offices are responsible for the formulation and implementation of policy and the management of the department as a whole, while the operating bureaus carry out specific duties assigned to the department. The bureaus accounted for 98% of Treasury Department employment and 97% of its funding in FY2001. With one exception, the bureaus can be separated into those having financial duties and those engaged in law enforcement. Financial duties are handled by the Comptroller of the Currency, U.S. Mint, Bureau of Engraving and Printing, Financial Management Service, Bureau of Public Debt, Community Development Financial Institutions Fund, and Office of Thrift Supervision. Law enforcement is done by the Bureau of Alcohol, Tobacco, and Firearms, U.S. Secret Service, Federal Law Enforcement Training Center, U.S. Customs Service, Financial Crimes Enforcement Network, and Treasury Forfeiture Fund. The sole exception to this simple dichotomy is the Internal Revenue Service (IRS), which performs both financial functions and law enforcement through its administration of federal tax laws.

Under P.L. 107-67, funding for Treasury operations in FY 2002 totals \$15.042 billion, which is about \$1 billion more than the department received in FY 2001. Perpetuating a longstanding trend, the IRS constitutes the single largest account in the department's FY 2002 budget, accounting – as it did in FY 2001 – for 63% of total enacted funding. Other major accounts are the budgets for the Customs Service

---

<sup>24</sup> P.L. 107-44; Sept. 28, 2001; 115 Stat. 253; H.J. Res. 65 (107<sup>th</sup> Congress).

(18% of total funding), Secret Service (6%), and Bureau of Alcohol, Tobacco, and Firearms (5%). Compared to FY 2001, the largest percentage increase in funding is for the Financial Crimes Enforcement Network (FinCen), whose budget is 41% greater. Large increases have also been enacted for the Customs Service (18% greater), Secret Service (11% greater), and Treasury Department Systems and Capital Investments Programs (11% greater). Part of the year-to-year increase in funding for FinCen is to cover expenses related to its involvement in security planning and operations for the 2002 Winter Olympics. Several Treasury Department accounts are being funded at reduced levels in FY 2002 compared to FY 2001. The largest percentage cuts are for spending on the Expanded Access to Financial Services (or First Accounts) program (80% smaller), the Counterterrorism Fund (17% smaller), and the Financial Management Service (17% smaller). The First Accounts program is intended to make it easier for low- and middle-income individuals to gain access to a variety of financial services.

The Treasury Department plays an important role in federal efforts to combat terrorism through its statutory missions and law enforcement responsibilities. Treasury bureaus are responsible for protecting the President; designing and implementing security at special events like the 2002 Winter Olympics; investigating incidents involving arson and the use of explosives and firearms; monitoring and analyzing the financing of terrorist activities; preventing weapons of mass destruction from entering the country; and implementing sanctions against terrorist organizations. With one exception, however, none of the bureaus has an appropriation account designated specifically for counterterrorism. That exception is the Counterterrorism Fund, which is intended mainly to respond to unanticipated emergencies by covering costs related to efforts to counter, investigate, or prosecute domestic or foreign terrorism, and to rebuild the operational capabilities of federal offices, facilities, or other properties damaged or destroyed as a result of terrorist incidents. The Fund can be used only with the advance approval of the House and Senate Appropriations Committees. While the exact size of the department's budget for counterterrorism in FY 2002 is unclear, it is thought to be at least \$419 million (see Table 2). Please see the section on "Terrorism" for further details on funding for counterterrorism within the Treasury Department.

There is reason to believe that the terrorist attacks of September 11, 2001 are resulting in expansion of the department's involvement in counterterrorism. On September 14, 2001, the Bush Administration announced that the Treasury Department's Office of Foreign Asset Control (OFAC) is leading an interagency group devoted to disrupting fundraising by foreign terrorists. On October 25, 2001, a multi-agency effort to investigate the financing of terrorist groups known as Operation Green Quest was launched, and some of the agencies involved are the IRS, Customs Service, FinCen, Secret Service, and OFAC. And on October 26, 2001, President Bush signed the USA PATRIOT Act of 2001 (P.L. 107-56), which expands the power of the Treasury Department to combat money laundering and investigate suspicious foreign financial transactions. It is reasonable to expect that these efforts and others that may arise in coming months could lead the Bush Administration to request a significant increase in the department's funds for counterterrorism in FY 2003.

**Bureau of Alcohol, Tobacco, and Firearms (ATF).** The ATF is a law enforcement agency that regulates the manufacture, importation, and distribution of alcohol, tobacco, firearms, and explosives. The ATF also enforces federal laws related to arson. ATF's mission is focused on three goals: (1) reducing crime, (2) collecting revenue, and (3) protecting the public. Among ATF's activities, the regulation and enforcement of laws related to firearms commerce and possession have been the most controversial.<sup>25</sup> In FY1999, ATF collected \$12,135,929,000 in taxes, penalties, fines, and other related revenues. From FY1992 to FY2000, Congress increased ATF's direct appropriations from \$336,040,000 to \$604,573,000, an 80% increase. For FY2001, Congress appropriated \$771,143,000<sup>26</sup> in direct funding for ATF, a 28% increase over the agency's FY2000 appropriation. The FY2001 appropriation supports 4,642 full time equivalent positions.<sup>27</sup>

For FY2002, Congress has provided ATF with \$823,316,000, a 6.8% increase over the agency's FY2001 appropriation. This amount, \$19,795,000 more than the Administration's request, includes the following budget increases: (1) \$9,655,000 for non-pay inflation costs, (2) \$3,140,000 for pay adjustments, (3) \$500,000 to improve licensing and regulatory operations, (4) \$3,000,000 to expand the Integrated Violence Reduction Strategy, and (5) \$3,500,000 to upgrade the National Tracing Center.

By comparison, the Senate-passed measure would have provided ATF with \$821,421,000, a 6.5% increase over the agency's FY2001 appropriation. This amount, \$17,900,000 more than the Administration's request, included the following budget increases: (1) \$6,400,000 for non-pay inflation costs, (2) \$2,000,000 to support the National Integrated Ballistics Information Network, (3) \$5,000,000 to bolster the Integrated Violence Reduction Strategy, (4) \$3,500,000 to retrofit and upgrade the National Tracing Center facilities, and (5) \$1,000,000 for unspecified purposes.

Meanwhile, the House-passed measure would have provided ATF with \$824,199,000, a 6.9% increase over the agency's FY2001 appropriation. This amount, \$20,678,000 more than the Administration's request, included the following budget increases: (1) \$9,655,000 for non-pay inflation costs, (2) \$10,523,000 for security at the 2002 Winter Olympics, and (3) \$500,000 to improve recordkeeping at the National Firearms Act Branch, the Imports Branch, and the National Licensing Center. Moreover, the House measure would have fully funded last year's budget enhancements for the Integrated Violence Reduction Strategy (\$73,500,000), the

---

<sup>25</sup> For further information on gun control-related legislation and issues, see CRS Issue Brief IB10071, *Gun Control Legislation in the 107<sup>th</sup> Congress*, by William Krouse.

<sup>26</sup> This amount reflects the 0.22% across-the-board rescission required by the Consolidated Appropriations Act of FY2001 (P.L. 106-554).

<sup>27</sup> One full time equivalent is equal to 2,080 hours worth of funding, or the amount of funding necessary to fund one position over the course of a single year. Usually, newly funded positions are only funded at one-half a full time equivalent, since those positions will not be filled for the entire year, and hiring will occur incrementally over the course of that year.

Youth Crime Gun Interdiction Initiative (\$85,000,000), and for the National Integrated Ballistics Information Network (\$25,200,000).<sup>28</sup>

The Administration's FY2002 budget request included \$803,521,000 for ATF, a 4.2% increase over the agency's FY2001 appropriation. The Administration's request anticipated reductions in non-recurring costs and other savings in the base budget of \$19,968,000 that would have partially offset increases to the agency's base budget of \$52,346,000, which would have supported 340 additional full time equivalents needed to fully fund positions that were newly authorized and partially funded in FY2001. According to the Administration, this increase would have brought the agency's overall FY2002 full time equivalent level up to 4,982, would have met the agency's FY2002 baseline funding requirements, and would have allowed ATF to maintain its FY2001 anticipated level of services and activities in FY2002. As earmarks for non-pay inflation costs and pay adjustments in the conference report language indicate, these reductions in non-recurring costs anticipated in the President's budget were not included in the conference agreement.

In *A Blueprint for New Beginnings*, the Bush Administration singled out the Youth Crime Gun Interdiction Initiative (YCGII) as one of Treasury's law enforcement bureaus' best practices. To expand the YCGII to 12 additional cities in FY2001, Congress provided ATF with \$19,078,000 to hire 72 agents and 98 inspectors. This increase brings total funding for this program to \$76,400,000 and will be used to expand its presence to 50 cities. The objective of the YCGII is to reduce youth firearm violence and firearms trafficking among youth by making federal resources, such as ATF's firearms tracing and ballistics technology, available to state and local law enforcement agencies, and by providing coordination of these efforts. As described above, the House-passed measure would have brought total funding for YCGII to \$85,000,000 in FY2002. The Senate-reported measure would have increased total funding for this program by \$5,000,000. While the conference agreement report language was silent on increases for YCGII, it stated that the Gang Resistance Education and Training program would remain funded at \$13,000,000, as proposed by the Senate.

**Customs Service.** The U.S. Customs Service, the federal government's oldest revenue collecting agency, is responsible for regulating the movement of persons, carriers, merchandise, and commodities between the United States and other countries.<sup>29</sup> In FY1999, Customs collected \$22,405,800,000 in trade-related duties, taxes, and fees. From FY1992 to FY2000, Congress has increased direct appropriations for the U.S. Customs Service from \$1,454,337,000 to \$1,935,915,000, a 33% increase. In addition to appropriated funding, the Customs Service collects COBRA fee receipts that are available to the agency for expenditure (\$298,592,461

---

<sup>28</sup> For further information on ballistics imaging and crime gun tracing, see CRS Report RL31040, *National Integrated Ballistics Information Network (NIBIN) for Law Enforcement*, by William C. Boesman and William J. Krouse.

<sup>29</sup> *U.S. Customs Service Authorization, FY2002 Budget, and Related Border Management Issues*, CRS Report RL31230, by William J. Krouse.

in FY2000). For FY2001, Congress appropriated \$2,279,308,000<sup>30</sup>, supporting 17,479 full time equivalent positions. This amount represents an 18% increase over the agency's FY2000 appropriation. Additionally, COBRA fees and other offsetting receipts are anticipated to support an additional 1,988 full time equivalents in FY2001, bringing the agency's overall level of full time equivalents to 19,467.

For FY2002, Congress has provided the U.S. Customs Service with \$2,688,049,000, a 17.9% increase over the agency's FY2001 appropriation. This amount includes (1) \$2,079,357,000 for the salaries and expenses account, (2) \$177,860,000 for the air and marine interdiction account, (3) \$427,832,00 for the automation modernization account, and (4) \$3,000,000 for the harbor maintenance fee account.

By comparison, the Senate-passed measure would have provided Customs with \$2,555,922,000, a 12.1% increase over the agency's FY2001 appropriation. This amount included (1) \$2,022,453,000 for the salaries and expenses account, (2) \$172,637,000 for the air and marine interdiction account, (3) \$357,832,000 for the automation modernization account, and (4) \$3,000,000 for the harbor maintenance fee account.

Meanwhile, the House-passed measure would have provided Customs with \$2,673,848,000 in total funding, a 17.3% increase over the agency's FY2001 appropriation. This amount included (1) \$2,059,170,000 for the salaries and expenses account, (2) \$183,853,000 for the air and marine interdiction account, (3) \$427,832,000 for the automation modernization account, and (4) \$2,993,000 from the harbor maintenance fee account. In addition, the House adopted a Customs-related amendment offered by Representative Bernard Sander that would prohibit the use of any funding provided by the FY2002 Treasury-Postal appropriations act from being used to remove detention orders placed on imports by the Customs Service, because the agency determined that these imported products were mined, produced, or manufactured by forced or indentured child labor.

By contrast, the Administration's FY2002 request included \$2,385,233,000 for the Customs Service, a 4.6% increase over the agency's FY2001 appropriation. This amount included: (1) \$1,961,764,000 for the salaries and expenses account, (2) \$162,637,000 for the air and marine interdiction account, (3) \$257,832,000 for the automation modernization account, and (4) \$3,000,000 from the harbor maintenance fee account.

For salaries and expenses, the Administration's request anticipated \$59,101,000 in reductions to the base budget in non-recurring costs and other savings that would have partially offset an increase of \$142,308,000 over the base budget. This increase, according to the Administration, would have fully funded positions that were newly

---

<sup>30</sup> This amount reflects the 0.22% across-the-board rescission required by the Consolidated Appropriations Act of FY2001 (P.L. 106-554). It also includes monies appropriated into four accounts: 1) \$1,878,557,000 in salaries and expenses account, 2) \$139,919,000 in air and marine interdiction program account, 3) \$257,832,000 in automation modernization account, and 4) \$3,000,000 in the harbor maintenance fee account.

authorized and partially funded in FY2001, would have supported an additional 370 full time equivalents, and would have brought the agency's overall FY2002 full time equivalent level supported by direct funding to 17,849. According to the Administration, this increase would have met the agency's FY2002 baseline funding requirements and allowed Customs to maintain its FY2001 anticipated level of services and activities in FY2002. Additionally, the Administration's request anticipated that offsetting receipts would fund another 1,808 full time equivalents in FY2002, bringing the total anticipated full time equivalent level to 19,657. As earmarks for non-pay inflation costs and pay adjustments in the conference report language indicate, these reductions in non-recurring costs anticipated in the President's budget were not included in the conference agreement.

For the salaries and expenses account, Congress has provided \$117,593,000 more than the Administration's request. Conference report language includes the following earmarks: (1) \$33,476,000 for non-pay inflation costs, (2) \$9,247,000 for pay adjustment costs, (3) \$33,151,000 for non-obtrusive inspection technology, (4) \$28,152,000 for a northern border hiring initiative, and (5) \$13,567 for other assorted purposes. The Senate-reported measure included \$60,689,000 more than the Administration's request, and included the following budget increases: (1) \$20,216,000 for non-pay inflation costs, (2) \$25,000,000 for additional staffing on the northern border, (3) \$5,000,000 for child labor efforts, (4) \$5,000,000 for an intellectual property law center, and (5) \$5,473,000 for various other projects. The House-passed measure included \$97,406,000 more than the Administration's request, and included the following budget increases: (1) \$33,476,000 for non-pay inflation costs, (2) \$13,81300 for security at the 2002 Winter Olympics, (3) \$30,000,000 for non-intrusive inspection technology, (4) \$15,000,000 for additional positions to cover decreases in offsetting fee receipts (COBRA), (5) \$3,000,000 to field Pulsed Fast Neutron Analysis inspection technology, (6), \$800,000 for anti-tobacco smuggling efforts, and (7) \$1,317,000 to assist African nations in trade compliance under the African Growth and Opportunity Act.

For the air and marine interdiction program account, Congress has provided Customs with \$177,860,000, a 33.8% increase over the account's FY2001 appropriation. This amount is \$15,223,000 over the Administration's FY2002 request. By comparison, the Senate-reported measure would have provided \$10,000,000 more, and the House-passed measure \$21,216,000 more than the Administration's request to fund non-pay inflation costs and other program investments.

For the automation modernization account, Congress has provided Customs with \$427,832,000, the same amount as in the House-passed bill. This amount is \$170,000,000 more than the Administration's FY2002 request of \$257,832,000, which was the amount appropriated by Congress for FY2001 (\$5,400,000 for the International Trade Data System, and not less than \$130,000,000 for the continued development of the Automated Commercial Environment). For FY2002, the Senate measure would have provided \$100,000,000 more than the Administration's request. As anticipated in the Administration's request, the conference agreement would provide Customs with \$3,000,000 in offsetting receipts in the harbor maintenance fee account. The Senate measure would have appropriated the same amount, while the

House-passed measure would have appropriated \$2,993,000 in offsetting receipts for obligation under this account.

In recent years, Customs' Automated Commercial System (ACS), the system Customs uses to track, control, and process all commercial goods imported into the United States, has proven inadequate and has suffered from "brownouts" that inhibit international commerce. The General Accounting Office (GAO) has testified that the current import processes handled by ACS are "paper-intensive, error-prone, and transaction based, and out of step with just-in-time inventory practices of the trade community."<sup>31</sup> Since 1994, Congress has increased funding for Customs to upgrade ACS and continue development of its replacement, the Automated Commercial Environment (ACE), but Customs has struggled with the upkeep of ACS and the development of ACE.

In the FY2000 conference report, Congress directed Customs to provide a revised blueprint, schedule, and budget for ACE. This report was delivered to the Appropriations committees, but late in the fiscal year. For FY2001, Congress provided over \$257,832,000 in a direct appropriation, which includes \$5,400,000 to continue the development of the International Trade Data System and at least \$130,000,000 to continue the development of ACE. It was reported in *Government Executive* magazine that the development, operation, and maintenance of ACE over 7 years will cost between \$1.4 and \$1.8 billion, and that Customs would begin taking bids to develop the new system in FY2001.<sup>32</sup> The Senate-reported measure would have brought total FY2002 funding for ACE to \$230,000,000, whereas the House-passed measure would have brought the total funding to \$300,000,000. The conference agreement matches the House amount.

In addition to appropriated funding, Customs generates offsetting receipts from two user fee programs. The first fee program consists of seven conveyance- and passenger-related user fees established by the 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA) and the user fee for processing bulk cargo from Mexico and Canada established by the 1986 Tax Reform Act. The second fee program consists of the commerce-related merchandise processing fee (MPF) established by the 1986 Omnibus Budget Reconciliation Act (OBRA). Customs generally has no control over the allocation of MPF fee receipts. COBRA fee receipts, on the other hand, are not appropriated for obligation by Congress, and they account for a substantial portion of funding available to Customs for expenditure each year. From FY1992 to FY1999, COBRA fee receipts have ranged from about \$176,000,000 to \$274,000,000.

There are codified limitations on the use of COBRA fee receipts, and initially they were used principally to pay overtime costs for inspectors and canine

---

<sup>31</sup> U.S. General Accounting Office, Testimony before the House Committee on Government Reform Subcommittee on Government Management, Information and Technology, *U.S. Customs Service: Observations on Selected Operations and Program Issues*, T-GGD/AIMD-00-150 (Washington, April 20, 2000), p. 7.

<sup>32</sup> Joshua Dean, "Funding Battles Delay Customs Modernization Project," *Government Executive Daily Briefing*, (Washington, December 1, 2000), at [<http://www.govexec.com/>].

enforcement officers. Surplus revenues could be and were carried over from one year to the next. Such carryover has been used to fund recurring costs in positions and equipment from previous years. As a result, COBRA fee receipts have funded an increasing share of permanent inspector positions and information technology costs. In FY2000, however, there were reports of a drop-off in air passenger processing fee receipts. Consequently, the growing reliance on COBRA fee receipts to fund base positions in conjunction with a drop-off in receipts may prove problematic in FY2001, as Customs may not have allocated enough to pay overtime for Customs officers. To address the decline in COBRA fee receipts, the House-passed measure would provide \$15,000,000 for additional positions. The conference agreement was silent on this issue. The authorization for the COBRA fees expires at the end of FY2003.

**Internal Revenue Service (IRS).** The federal government levies individual and corporate income taxes, social insurance taxes, excise taxes, estate and gift taxes, customs duties, and other miscellaneous taxes and fees. The federal agency mainly responsible for administering these taxes and fees is the IRS. In carrying out that responsibility, it receives and processes tax returns and other related documents, processes payments and refunds, enforces compliance through audits and other methods, collects delinquent taxes, and provides a variety of services to taxpayers in an effort to help them understand their responsibilities and resolve problems. In FY 2000, the IRS collected \$2,077 billion, the largest component of which was individual income tax revenue of \$1,117 billion.

Under P.L. 107-67, the IRS is funded at \$9.437 billion in FY 2002, or \$548 million more than it received in FY 2001. With this increase, the agency has the authority to add 600 individuals to its staff in FY 2002. Of the total amount appropriated, \$3.798 billion is for tax processing, assistance, and management; \$3.538 billion for tax law enforcement; \$1.563 billion for information systems; and \$146 million for the earned income tax compliance initiative. In addition, the IRS is receiving \$391.6 million for its Information Technology Investment Account (ITIA) through September 30, 2004. Funds can be drawn from the account only with the prior approval of the House and Senate Appropriations Committee, and they are allocated on a project or milestone basis. In June 2001, the committees authorized the release of \$128 million from the ITIA to enable the IRS to continue its program to modernize its information system. No additional money is being provided for the Staffing Tax Administration for Balance and Equity initiative (STABLE) in FY 2002, however, contrary to the wishes of the Bush Administration. STABLE is intended to improve the IRS's customer service and bolster its capability to enforce federal tax laws; Congress approved initial funding for the initiative in FY 2001. P.L. 107-67 also gives the Treasury Inspector General for Tax Administration \$123.7 million in FY 2002. It specifies that \$500,000 of this amount is to be used for bimonthly audits of IRS taxpayer assistance centers.

P.L. 107-67 directs the IRS to improve its customer service by increasing its staffing of its toll-free help-line service, and to take steps to further safeguard the confidentiality of taxpayer information. Moreover, it expresses concern about the ability of the IRS to coordinate and integrate its spending on business system modernization projects with its “development-related” investments in information systems.

The IRS has already completed its budget request for FY 2003 and submitted it to the Office of Management and Budget for review. Reportedly, the agency is seeking an increase in funding of \$800 million over FY 2002 and the authority to hire another 1,800 staff. These additional resources would be channeled into improving customer service, modernizing information systems, and bolstering taxpayer audits and other compliance efforts. A key player in the IRS appropriations process is the IRS Oversight Board. The Board is required by law to review the IRS budget and make its own recommendations directly to Congress. Based on the Board's recommendations for the FY 2002 budget, some expect the Board to back the agency's request for increased funding in FY 2003 and to request that Congress approve two years of funding for the ITIA.

**U. S. Secret Service.** The U.S. Secret Service is mandated by statute to carry out two distinct missions: the protection of designated government officials and individuals, and criminal investigations. It is also responsible for the enforcement of laws relating to counterfeiting.

Under P.L. 107-67, the Secret Service is funded at \$920,615,000. The conference agreement increased the salaries and expenses account by over \$4 million beyond the higher of the two versions with the other Secret Service account being funded at the higher of the two, the House-passed version of \$3,457,000. The House had approved an appropriation of \$923,569,000 for the Secret Service. As passed by the Senate, \$902,967,000 would have been appropriated for the Secret Service, with \$899,615,000 provided for salaries and expenses, and \$3,352,000 available for repair and construction of facilities. The conference report explains the funding by stating that

This includes the costs of non-pay inflation and the anticipated pay adjustment. The conferees also provide \$1,633,000 for forensic support to the National Center for Missing and Exploited Children (NCMEC), and \$3,009,000 for grants to NCMEC.<sup>33</sup>

No further explanation for the increase is offered. Under the emergency supplemental the Service would be allocated further funding. See the section on terrorism below.

On July 17, the House Committee on Appropriations approved an appropriation of \$947,234,000 for the Secret Service. This is an increase of \$118,892,000 over FY2001 enacted and \$86,660,000 over the President's request. The House subcommittee had recommended an appropriation of \$943,777,000, an increase of \$118,891,749 above the FY2001 enacted level and an increase of \$86,660,000 above the President's request. The increase included \$13,624,000 for non-pay inflation; \$27,530,000 for security planning and operations for the 2002 Winter Olympics; \$45,000,000 to complete the staffing re-balancing initiative, and \$506,000 in additional support for the National Center for Missing and Exploited Children.

For FY2002, the President has requested \$857,117,000 for salaries and expenses related to protective functions, research and development, and the purchase of

---

<sup>33</sup> Conference Report, p. 57.

vehicles. Total increases of \$56,228,000 are offset by \$23,996,000 in reductions, resulting in a net increase of \$32,232,000 over the FY2001 funding level of \$824,885,000. Of the FY2002 budget request, \$1,633,000 is for activities related to the investigations of exploited children; and \$3,352,000 is for acquisition and construction costs.

P.L. 106-554 funded the Secret Service salaries and expenses account at \$823.8 million in FY2001. The acquisitions, construction, and related expenses account funded at \$8.9 million. P.L. 106-346 provided supplemental funding of \$2.9 million for the salaries and expenses account. The rescission reduced Secret Service funding by \$1.853 million.

## **U.S. Postal Service**

The U.S. Postal Service (USPS) generates nearly all of its funding through the sale of products and services. It does receive an appropriation from Congress, however, to compensate for revenue forgone in providing free and reduced rate mail for the blind and visually impaired and for overseas voting. Under the Revenue Forgone Reform Act of 1993, Congress is required to reimburse USPS \$29 million each year until 2035, for services performed but not paid for in the 1990s. (See also, CRS Report RS21025, *The Postal Revenue Forgone Appropriations: Overview and Current Issues.*)

In FY2001, USPS received an appropriation of \$96.093 million, including \$67.093 million for revenue forgone in FY2001 but not payable until October 1, 2002, and the \$29 million due under the Revenue Forgone Reform Act of 1993.

P.L. 107-67 maintains the advance appropriation practice, with \$29,000,000 in current funding, \$67,093,000 in FY2002 advance funding, and \$47,619,000 in FY2003 advance funding. This reflects the House-passed version. The Senate, on the other hand, acceded to the Administration's request with regard to advance appropriations. All of the \$143.7 million the Senate approved on September 19 would be available to the Postal Service in FY2002. The conference committee adopted the House provision, making \$47,619,000 of the appropriation unavailable for obligation until October 1, 2002.

In its FY2002 Budget, the Administration proposed to reverse the practice of providing USPS advance appropriations to avoid annual spending limitations. It proposed an appropriation of \$56.303 million for revenue forgone in fiscal 2002, and \$29 million for the FY2002 installment under the Revenue Forgone Reform Act of 1993, reduced by \$8.684 million as a reconciliation adjustment to reflect actual versus estimated free mail volume in 1999, for a total of \$76.729 million. USPS will also have available for obligation the \$67.093 million provided for revenue forgone in fiscal 2001, for a total of \$143.7 million.

The Postal Service has experienced a significant rise in costs subsequent to the September 11, 2001 attacks and the continuing crisis involving anthrax exposure. The Postmaster General told both House and Senate oversight committees that several billions of dollars will be necessary for crisis response and to install devices designed

to decontaminate mail.<sup>34</sup> On November 5, 2001, the Administration notified Congress that, under the provisions of P.L. 107-38, \$175 million would be allocated to the Postal Service from the Emergency Response Fund as of November 20.<sup>35</sup> These resources include: \$100 million for an initial purchase of irradiation equipment to sanitize the mail; and \$75 million for the costs of personnel protection equipment (e.g., gloves, masks, barrier creams), first response/environment testing kits and services, site clean-up and medical goods and services, and public education materials. The Senate Committee on Appropriations recently heard from the Postmaster General as to the perceived financial needs of the Postal Service.<sup>36</sup> P.L. 107-117 appropriates an additional \$500 to the U.S. Postal Service. See Table 4, below, for more detailed explanations.

**Semipostals.**<sup>37</sup> P.L. 107-67 has three new provisions affecting the issuance of semipostal stamps and bypassing the selection procedure set forth in the Semipostal Authorization Act of 2000. (Semipostals enable postal customers to pay a surcharge over regular postage for the benefit of a worthy cause.) (See also CRS Report RS20921, *Semipostal Stamps: Authorization, Revenue, and Selection Criteria*.) The Senate had added an amendment that would extend the Breast Cancer Research Stamp beyond its current expiration date of July 29, 2002, to July 29, 2008. It also would exempt the breast cancer stamp from the USPS regulation issued under the authority of the Semipostal Authorization Act that had limited the circulation of semipostals to one at any one time. The conferees agreed to an extension, but only to December 31, 2003 (section 650).

The Senate also had added language, that was included in the conference report (section 652), authorizing another semipostal to assist the families of rescue workers killed or disabled in the September 11 terrorist attacks. USPS already had underway a selection process for a semipostal to replace the breast cancer stamp, and the amendment would permit USPS to designate the “Heroes” stamp as the one to be issued, or to issue it as a third semipostal in circulation.

Finally, the conference added language (Section 653) authorizing a semipostal to be issued before 2004, and to be in circulation no later than December 31, 2006, for the benefit of domestic violence programs administered by the Department of

---

<sup>34</sup> Hearings before the House Committee on Government Reform on Oct. 30 and before Senate Committee on Governmental Affairs on Oct. 30 and 31, 2001. Postmaster General's prepared statement can be accessed through [http://www.senate.gov/~gov\\_affairs/hearings.htm](http://www.senate.gov/~gov_affairs/hearings.htm). For selected press accounts related to the USPS situations see *Government Executive Magazine Daily Briefing*, Oct. 31, 2001 and Oct. 29, 2001: <http://www.govexec.com/dailyfed/1001/103101w1.htm> and <http://www.govexec.com/dailyfed/1001/102901w1.htm>

<sup>35</sup> Communication from the Office of Management and Budget, with a cover letter from President George Bush to the Speaker of the House of Representatives, dated Nov. 5, 2001 (Estimate No. 21), as required under P.L. 107-38.

<sup>36</sup> “USPS Seen Requesting at Least \$5 Billion,” *Washington Post*, Nov. 7, 2001, p. A27.

<sup>37</sup> Conference Report, pp. 44-46, 73.

Health and Human Services. Domestic violence was one of the 37 subjects nominated for a semipostal under the Semipostal Authorization Act.

**Shipping Day-Old Poultry.** The conferees also accepted (section 651) a Senate provision authorizing USPS to require any contract air carrier to accept day-old poultry and a few other live animals as mail, and to charge mailers a reasonable surcharge to cover the extra costs involved. The amendment will not affect air carriers that do not normally accept live animals as cargo, a category that includes its new transportation partner FedEx.

**Conference Directives.**<sup>38</sup> Noting that the state of Hawaii has only one mail sorting facility, the H.R. 2590 conferees urged the Postal Service “to develop a procedure by which mail that originates on the same island to which it is addressed can be kept and sorted on that island.” Intra-island mail deliveries had been disrupted by the flights delayed after the September 11 attack. The conferees agreed to direct the U.S. Postal Service to conduct a 90-day study on the feasibility of the USPS “to introduce and provide new products and services (including the introduction and provision of new products and services on an experimental or market test basis) and to enter into negotiated service agreements with individual customers or groups of customers.”

## **Executive Office of the President and Funds Appropriated to the President**

The Treasury and General Government appropriations act funds all but three offices in the Executive Office of the President (EOP). Of the three exceptions, the Council on Environmental Quality (including Office of Environmental Quality) and the Office of Science and Technology Policy are funded under the Veterans Affairs, Housing and Urban Development, and Independent Agencies appropriations; and the Office of the United States Trade Representative is funded under the Commerce, Justice, State, and the Judiciary and Related Agencies appropriations. Funding for these agencies is not included in this report.

P.L. 107-67 provides an appropriation of \$747,531,000 for EOP agencies funded under the Treasury and General Government appropriations.

The President’s FY2002 budget proposed an appropriation of \$731,725,000, an increase of 4.26% over the \$701,815,000 (less a \$575,000 rescission) appropriated in FY2001.

The House of Representatives passed EOP funding of \$751,967,000, an increase of \$50,727,000 over FY2001 enacted (including the rescission) and \$20,242,000 over the President’s request. An amendment, agreed to by the House by voice vote, would have consolidated 10 of the 18 appropriations accounts into one account, arguably to provide the President with more flexibility in allocating funding. During the floor debate, the chairman and ranking member of the House Appropriations Committee noted that this provision was being accepted as a placeholder for further discussion

---

<sup>38</sup> Conference Report, p. 59.

in conference.<sup>39</sup> The conference committee agreed to continue with separate accounts rather than a consolidated account.

The Senate passed, EOP funding of \$755,519,000, an increase of \$54,279,000 over FY2001 enacted (including the rescission) and \$23,794,000 over the President's request.

During his September 20, 2001 speech before a joint session of Congress on the September 11, 2001 terrorist attacks on America, President George W. Bush announced that he was creating the Office of Homeland Security as a Cabinet-level position reporting directly to him. For a brief discussion of the position and office, see the "Terrorism" section below. More funding details will be provided as they are available. That section also discusses funds provided to EOP accounts through allocations from the Emergency Response Fund.

**Compensation of the President.** P.L. 107-67 provides an appropriation of \$450,000, which includes an expense allowance of \$50,000. The request is a 15.4% increase over the \$390,000 appropriated in FY2001. The salary of the President is \$400,000 *per annum*, effective January 20, 2001. This was the amount proposed by the President's budget, recommended by the House and Senate committees, passed by the House and Senate, and agreed to by the conference committee.

**White House Office.** This account provides the President with staff assistance and administrative services.

P.L. 107-67 provides an appropriation of \$54,651,000. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$54,165,000, an increase of 1.6% over the \$53,288,000 (less a \$118,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

**Executive Residence (White House).** This account provides for the care, maintenance, and operation of the Executive Residence.

P.L. 107-67 provides an appropriation of \$11,695,000. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$11,914,000, an increase of 9.3% over the \$10,900,000 (less a \$24,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

For repairs and restoration at the White House, P.L. 107-67 provides an appropriation of \$8,625,000. This was the amount requested by the President, and was an increase of 791% over the \$968,000 (less a \$2,000 rescission) appropriated in FY2001. Of the total, \$1,306,000, is for six projects for required maintenance, safety and health issues, and \$7,319,000 is for three projects for required maintenance

---

<sup>39</sup> House Passage, pp. H4570-4571.

and continued preventive maintenance in conjunction with the General Services Administration, the Secret Service, the Office of the President, and other agencies involved with the White House. The House and Senate committees recommended and the House and Senate passed this amount as well.

Maintenance and repair costs for the White House are also funded by the National Park Service as part of that agency's responsibility for national monuments. Entertainment costs for state functions are funded by the Department of State. Reimbursable political events in the Executive Residence are to be paid for in advance by the sponsor, and all such advance payments are to be credited to a Reimbursable Expenses account. The political party of the President is to deposit \$25,000 to be available for expenses relating to reimbursable political events during the fiscal year. Reimbursements are to be separately accounted for and the sponsoring organizations billed, and charged interest, as appropriate. The staff of the Executive Residence must report to the Committees on Appropriations, after the close of each fiscal year, and maintain a tracking system on the reimbursable expenses.

**Special Assistance to the President (Office of the Vice President) and Official Residence of the Vice President.** This account funds the Vice President in carrying out the responsibilities assigned to him by the President and by law. It also provides for the care and operation of the Vice President's official residence and includes the operation of a gift fund for the residence.

P.L. 107-67 provides an appropriation of \$3,925,000 for salaries and expenses. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$3,896,000, an increase of 6.1% over the \$3,673,000 (less a \$9,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

The law also provides an appropriation of \$318,000 for the operating expenses of the Official Residence of the Vice President. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President requested \$314,000, an 11.3% decrease over the \$354,000 appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

Section 635 of the law (section 634 of the House version and section 638 of the Senate version) authorizes the Department of the Navy to pay the utility bills, including the electric bill, for the Vice President's residence, thereby shifting the expenses from the EOP account. (The entire property, of which the residence is part, is owned and operated by the Navy.) House committee and floor amendments to maintain the costs in the EOP account were rejected.

Section 636 of the law (section 635 of the House version and section 636 of the Senate version) authorizes the Department of the Navy to accept gifts of consumable items (i.e., food or liquor), or funds for them, for use at official functions at the Vice President's residence, including the hosting of foreign dignitaries. House committee and floor amendments to prohibit this practice were rejected.

The section 635 and 636 provisions were recommended in the President's budget.

**Council of Economic Advisers (CEA).** The three-member council was created in 1946 to assist and advise the President in the formulation of economic policy. The council analyzes and evaluates the national economy, economic developments, federal programs, and federal policy to formulate economic advice. The council assists in the preparation of the annual Economic Report of the President to Congress.

P.L.107-67 appropriates \$4,211,000, an increase of 2.4% over the \$4,110,000 appropriated in FY2001; of which \$9,000 was subsequently rescinded. The Senate approved an appropriation of \$4,192,000, the amount requested by the President. The House approved an appropriation of \$4,211,000 and this was the amount agreed to by the conference committee.

**Office of Policy Development.** The Office supports the National Economic Council and the Domestic Policy Council in carrying out their responsibilities to advise and assist the President in formulating, coordinating, and implementing economic and domestic policy. The Office also supports other domestic policy development and implementation activities.

P.L. 107-67 provides an appropriation of \$4,142,000. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$4,119,000, an increase of 2.2% over the \$4,032,000 (less a \$9,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

**National Security Council (NSC).** The NSC advises the President on integrating domestic, foreign, and military policies relating to national security.

P.L. 107-67 provides an appropriation of \$7,494,000. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$7,447,000, an increase of 3.9% over the \$7,165,000 (less a \$15,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

**Office of Administration.** The Office of Administration provides administrative services, including financial, personnel, library and records services, information management systems support, and general office services, to the Executive Office of the President.

P.L. 107-67 provides an appropriation of \$46,955,000. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$46,032,000, an increase of 5.2% over the \$43,737,000 (less a \$96,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed the same amount as the President requested.

Subsequent to the September 11 attacks, the Office of Administration has been allocated funding for the relocation of personnel and enhanced security. See the “Terrorism” section below for further details.

**Office of Management and Budget (OMB).** OMB assists the President in discharging budgetary, management, and other executive responsibilities. The agency’s activities include preparing the budget documents; examining agency programs, budget requests, and management activities; preparing the government-wide financial management status report and five-year plan (with the Chief Financial Officer Council); reviewing and coordinating agency regulatory proposals and information collection requirements; and promoting economical, efficient, and effective procurement of property and services for the executive branch.

P.L. 107-67 provides an appropriation of \$70,752,000. This was the amount recommended by the House committee, passed by the House, and agreed to by the conference committee. The President’s FY2002 budget proposed an appropriation of \$70,521,000, an increase of 2.5% over the \$68,786,000 (less a \$151,000 rescission) appropriated in FY2001. The Senate committee recommended and the Senate passed an appropriation of \$70,519,000.

**Office of National Drug Control Policy (ONDCP).** The ONDCP develops policies, objectives, and priorities for the National Drug Control Program. The account also funds general policy research to support the formulation of the National Drug Control Strategy.

P.L. 107-67 provides an appropriation of \$25,263,000 for salaries and expenses. This was the amount agreed to by the conference committee. The President’s FY2002 budget proposed an appropriation of \$25,100,000, an increase of 1.4% over the \$24,759,000 (less a \$55,000 rescission) appropriated in FY2001. The House committee recommended and the House passed an appropriation of \$25,267,000. The Senate committee recommended and the Senate passed an appropriation of \$25,096,000.

***The Counterdrug Technology Assessment Center (CTAC).*** The CTAC is the central counterdrug research and development organization for the federal government.

P.L. 107-67 provides an appropriation of \$42,300,000. Of the total, \$20,064,000 is for the basic research and development program and \$22,236,000 is for the continued operation of the technology transfer program. This was the amount agreed to by the conference committee. The President’s FY2002 budget proposed an appropriation of \$40,000,000, an increase of 10.9% over the \$36,053,000 (less a \$79,000 rescission) appropriated in FY2001. The House committee recommended and the House passed the same amount as the President requested. The Senate committee recommended and the Senate passed an appropriation of \$42,000,000.

**Federal Drug Control Programs.** The High Intensity Drug Trafficking Areas (HIDTA) program provides assistance to federal, state, and local law enforcement entities operating in those areas most adversely affected by drug

trafficking. Funds are disbursed at the discretion of the director of ONDCP for joint local, state, and federal initiatives.

P.L. 107-67 provides an appropriation of \$226,350,000. This was the amount recommended by the Senate committee, passed by the Senate, and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$206,305,000<sup>40</sup> a decrease of 0.1% over the \$206,500,000 appropriated in FY2001. The House committee recommended an appropriation of \$231,500,000. The House passed an appropriation of \$233,882,000.

The Senate adopted an amendment (Senator Dorgan, Amendment No. 1584) which would designate a HIDTA in the State of Utah and apportion \$2,500,000 of those funds to be used for it. The conference report states:

As ONDCP reviews proposals for the increased HIDTA funding provided, the conferees direct it to consider the following: increases for Central Florida, Rocky Mountain, Midwest (for Missouri, Iowa, and North Dakota), Chicago, Southwest Border (for Arizona, New Mexico, and West Texas), Southeast Michigan, Appalachian, Lake County, Gulf Coast, Hawaii, Philadelphia/Camden, Oregon, and Milwaukee HIDTAs; and funding for expansion of HIDTAs in North Texas (to Oklahoma counties), and the Northwest (to counties in southwest and eastern Washington); and possible designation of Arkansas and North Carolina, which have sought designation in recent years.<sup>41</sup>

***The Special Forfeiture Fund.*** The Fund, administered by the director of ONDCP, supports high-priority drug control programs. The funds may be transferred to drug control agencies or directly obligated by the ONDCP director.

P.L. 107-67 provides an appropriation of \$239,400,000. This was the amount agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$247,600,000, an increase of 6.0% over the \$233,600,000 appropriated in FY2001. The House committee recommended and the House passed an appropriation of \$238,600,000. The Senate committee recommended and the Senate passed an appropriation of \$249,400,000.

***Unanticipated Needs.*** The account provides funds for the President to meet unanticipated needs in furtherance of the national interest, security, or defense.

In FY2001, \$3,500,000 (less an \$8,000 rescission) was appropriated, of which \$2,500,000 was for the Elections Commission of the Commonwealth of Puerto Rico to be used for objective, nonpartisan citizens' education and a choice by voters regarding the islands' future status.

P.L. 107-67 provides an appropriation of \$1,000,000 for FY 2002. This was the amount proposed by the President's budget, recommended by the House and Senate

---

<sup>40</sup> The President's budget shows an appropriation of \$206,305,000, but the House and Senate Committees on Appropriations reports state that the amount requested was \$206,350,000.

<sup>41</sup> Conference Report, p. 63.

committees, passed by the House and Senate, and agreed to by the conference committee.

The President allocated \$51,000,000 from the Emergency Response Fund to the Unanticipated Needs account. The communication to Congress provides no further explanation. See the section on “Terrorism” below for information on the allocations.

## Independent Agencies

**Federal Election Commission (FEC).** The FEC administers federal campaign finance law, including overseeing disclosure requirements, limits on contributions and expenditures, and the presidential election public funding system; the agency retains civil enforcement authority for the law. The Office of Election Administration, which serves as a clearinghouse for information on voting laws and procedures for state and local election officers, is another part of the FEC .

P.L. 107-67 appropriates \$43,689,000, the same as the House-passed level. Also as proposed by the House, the act includes a new general provision (section 642) extending FEC authority to assess administrative fines for straightforward violations of reporting deadlines, from December 31, 2001 to December 31, 2003.

The Administration’s budget proposal for FY2002 called for \$41,411,000 for the FEC, an increase of \$1,000,100 over the \$40,410,900 appropriated under P.L. 106-554 for FY2001 (which reflected \$40,500,000, minus an across-the-board .22% rescission). Of the \$41.4 million requested, no less than \$4,453,000 shall be available for internal automated data processing systems (\$236,500 less than the amount targeted for the previous year) and no more than \$5,000 may be used for reception and representational expenses. The Administration’s budget called for a full-time equivalent staffing authorization of 357, the same as for FY2001.

In the FEC’s separate submission to OMB, the agency requested \$47,671,000, or \$6,260,000 more than the Administration proposes. The FEC also asked for 375 personnel, which was 18 more than requested in the President’s budget proposal. In justifying its request for additional funding and staff, the agency cited, among other things, the heightened demands on the election clearinghouse for assistance on election administration issues in the wake of the 2000 presidential election.

The House-passed version would have provided an appropriation of \$43,689,000, exceeding the Administration’s proposed level by more than \$2.2 million. Of the total, no less than \$5,128,000 would be available for internal automated data processing systems and no more than \$5,000 would be available for reception and representation expenses. In addition, the measure would include a new general provision extending authority for the FEC to assess administrative fines for straightforward violations of reporting deadlines, from December 31, 2001 to December 31, 2003.

The Senate-passed version recommends an appropriation of \$43,993,000, some \$304,000 more than the House-passed figure and \$2,582,000 more than the Administration’s request. This higher figure would incorporate \$582,000 for the government-wide pay adjustment and \$2 million for improvements to state and local

election systems and administration, the latter conditioned on enactment of authorizing legislation for such a program. No less than \$4,453,000 of the recommended amount would be required to be devoted to internal automated data processing systems. No provision was included regarding administrative fines.

**Federal Labor Relations Authority (FLRA).** The agency serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations Statute; decides major policy issues; prescribes regulations; and disseminates information appropriate to the needs of agencies, labor organizations, and the public. The FLRA also engages in case-related interventions and training and facilitates labor-management partnerships. It has three components: the Authority which adjudicates labor-management disputes, the Office of the Inspector General which conducts and supervises audits and investigations related to FLRA's functions, and the Federal Service Impasses Panel which resolves impasses which occur during labor negotiations between federal agencies and labor organizations.

P.L. 107-67 provides an appropriation of \$26,524,000 for the FLRA. This was the amount passed by the House and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$26,378,000. The request was 5.5% above the FY2001 funding minus the rescission. The House and Senate committees recommended and the Senate passed the same amount as the President requested.

The agency's FY2001 appropriation was \$25,058,000. P.L. 106-554 also provided for a 0.22% or \$55,000 across-the-board cut in the FY2001 funding.<sup>42</sup> After this reduction, the FY2001 funding was \$25,003,000.

**General Services Administration (GSA).** The General Services Administration administers federal civilian procurement policies pertaining to the construction and management of federal buildings, disposal of real and personal property, and management of federal property and records. It is also responsible for managing the funding and facilities for former Presidents and presidential transitions. GSA is one of several agencies covered by this bill which are involved in counterterrorism activities. Please see the "Terrorism" section below for further details.

Under P.L. 107-67, GSA is funded at \$472,081,000 for FY2002. The funding includes \$284,000,000 to the Federal Buildings Fund, \$143,139,000 to policy and operations, \$36,346,000 to the Office of Inspector General, \$5,000,000 to the Electronic Government (E-Gov) Fund, and \$3,196,000 to the allowances and office staff for former Presidents. Sections 401 through 413 relate to GSA general provisions. Sections 408-413 are new provisions which relate to vehicle policy management, naming of specific federal buildings, road construction and property transfer.

---

<sup>42</sup> *FY2002 Budget, Analytical Perspectives*, p. 355.

The House had approved an appropriation of \$459,021,000 for GSA. Of this total, \$276,400,000 would be provided for the Federal Buildings Fund; \$137,947,000 for policy and operations; \$36,378,000 for the Office of Inspector General; and \$3,196,000 for allowances and office staff for former Presidents. The House committee had approved an appropriation of \$458,401,000.

S. 1398, as introduced in the Senate and as reported by the Senate committee, would have provided \$276,400,000 for the Federal Buildings Fund; \$145,749,000 for policy and operations; \$36,025,000 for the Office of Inspector General; and \$3,376,000 for allowances and office staff for former Presidents. The Senate approved those amounts.

The President's FY2002 budget contained a request for \$138,499,000 for policy and operations; \$36,025,000 for the Office of Inspector General; and \$3,552,000 for allowances and office staff for former Presidents.

Three different laws provide FY2001 funding to the General Services Administration. P.L. 106-554 provides \$632,211,000 for GSA in FY2001. Of this total, \$464,154,000 is appropriated for the Federal Buildings Fund; \$123,920,000 for policy and operations; \$34,520,000 for the Office of Inspector General; \$2,517,000 for benefits to former Presidents; and \$7,100,000 for the presidential transition. An additional \$2,070,000 is to be deposited into the Federal Buildings Fund. An advance FY2002 appropriation of \$276,400,000 is also provided for the Federal Buildings Fund. P.L. 106-346 appropriated \$11,350,000 in FY2001 funds to the Federal Buildings Fund and \$13,789,000 for the policy and operations account. P.L. 106-275, as amended provided \$7,100,000 for presidential transition, releasing funds needed after the election for that purpose. GSA FY2001 is reduced, through the rescission, by \$1,470,000, with \$1,053,000 coming out of the Federal Buildings Fund. P.L. 107-20 added an additional \$25,757,000 to GSA's FY2001 appropriation.

**Federal Buildings Fund (FBF).** The act includes the \$276,400,000 appropriated in FY2001 as advance appropriations for the FBF and an additional \$8,000,000 for FY2002. The House and Senate had determined that there would be no additional direct appropriation into the Federal Buildings Fund for FY2002. A total of \$276,400,000 for the Federal Buildings Fund is the amount included in FY2001 direct appropriations which was designated to become available on October 1, 2001. The House agreed to an amendment making available \$14 million from the Fund for a National Archives and Records Administration building in Georgia.

Since the FY2001 advance appropriation provided \$276,400,000, no additional funds were requested. Of the \$6,107,891,000 deposited in the FBF, the President's FY2002 budget requests that \$386,289,000 shall remain available until expended for construction, and that \$826,676,000 shall remain available until expended for repairs and alterations.

Revenue to the FBF is the principal source of funding. Congress, however, directs the GSA as to the allocation (or limitation on spending) of funds. The conference agreement would provide \$386,280,000 for construction and acquisition of facilities; \$826,676,000 for repairs and alterations; \$186,427,000 for installment acquisitions payments; \$2,952,050,000 for rental of space; and \$1,748,949,000 for building operations. All of these levels meet or fall just below the Administration

request and the House-passed version. That holds true also with the Senate version except the Senate would have provided over \$90,000,000 more for the spending allotment in the construction and acquisition of facilities account. The conferees direct the Federal Buildings Fund managers on specific issues with regard to the spending of the funds.<sup>43</sup>

**Electronic Government Fund.** In advance of his proposed budget for FY2002, the President released, on February 28, 2001, *A Blueprint for New Beginnings: A Responsible Budget for America's Priorities*. Intended as a 10-year budget plan, the *Blueprint*, among other innovations, proposed the establishment of an electronic government account, seeded with "\$10 million in 2002 as the first installment of a fund that will grow to a total of \$100 million over three years to support interagency electronic Government (e-gov) initiatives." Managed by OMB, the fund was foreseen as supporting "projects that operate across agency boundaries," facilitating "the development of a Public Key Infrastructure to implement digital signatures that are accepted across agencies for secure online communications," and furthering "the Administration's ability to implement the Government Paperwork Elimination Act of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services and signatures, when practicable, by October 2003."<sup>44</sup> About one month later, on March 22, OMB Deputy Director Sean O'Keefe announced that the Bush Administration had decided to double the amount to be allocated to the e-gov fund, bringing it to \$20 million.<sup>45</sup>

As included in the President's budget, the fund was established as an account within the General Services Administration, to be administered by the Administrator of General Services "to support interagency projects, approved by the Director of the Office of Management and Budget, that enable the Federal Government to expand its ability to conduct activities electronically, through the development and implementation of innovative uses of the Internet and other electronic methods." The Senate bill, as approved by the Senate, provided \$5 million, to remain available until expended, as did the House bill adopted by the House. Also, the Senate bill, like the House bill, stipulated that transfers of monies from the fund to federal agencies may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken using such monies has been submitted to the Committee on Appropriations. Ultimately, the House and the Senate accepted the conference agreement on H.R. 2590 retaining both the \$5 million appropriation for the fund and the requirement for a proposed spending plan and justification for each project using fund monies. Expressing general support for the purposes of the fund, the conferees had recommended, and both chambers accepted, that the administration work with the House Committee on Government Reform and the Senate Committee on

---

<sup>43</sup> Conference Report, pp. 64-65.

<sup>44</sup> U.S. Executive Office of the President, Office of Management and Budget, *A Blueprint for New Beginnings*, pp. 179-180.

<sup>45</sup> William Matthews, "Bush E-gov Fund to Double," *Federal Computer Week*, vol. 15, Mar. 26, 2001, p. 8.

Governmental Affairs to clarify the status of its authorization. The President's initial request for the fund was \$20 million, to remain available until September 30, 2004..<sup>46</sup>

**Merit Systems Protection Board (MSPB).** The MSPB assists federal agencies in running a merit-based civil service system. The agency carries out its mission on a case-by-case basis through hearings and decisions on employee appeals, and on a systematic basis by reviewing the significant actions and regulations of the Office of Personnel Management (OPM) and studying the civil service and other merit systems. MSPB's work is to ensure that personnel actions are processed within the law and that the actions of OPM and other agencies support and enhance merit principles.

P.L. 107-67 provides an appropriation of \$30,555,000 for the MSPB. In addition, \$2,520,000 would be transferred from the Civil Service Retirement and Disability trust fund to provide for administrative expenses to adjudicate retirement appeals. This was the amount passed by the House and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$30,375,000. The request, not including the trust fund transfer, was 3.4% above the FY2001 funding minus the rescission. The House and Senate committees recommended and the Senate passed the same amount as the President requested.

The agency's FY2001 appropriation, not including the trust fund transfer, was \$29,437,000. P.L. 106-554 also provided for a 0.22% or \$65,000 across-the-board cut in the FY2001 funding.<sup>47</sup> After this reduction, the FY2001 funding was \$29,372,000.

**National Archives and Records Administration (NARA).** The custodian of the historically valuable records of the federal government since its establishment in 1934, NARA also prescribes policy and provides both guidance and management assistance concerning the entire life cycle of federal records. It also administers the presidential libraries system; publishes the laws, regulations, and presidential and other documents; and assists the Information Security Oversight Office (ISO), which manages federal security classification and declassification policy; and the National Historical Publications and Records Commission (NHPRC), which makes grants nationwide to help nonprofit organizations identify, preserve, and provide access to materials that document American history.

Under P.L. 107-67, NARA will receive \$276,602,000. This represents an appropriation of \$283,214,000 offset by debt reduction in the amount of \$6,612,000. Of the \$244,247,000 for NARA operating expenses, \$22,302,000 is for an electronic records archive, \$16,337,000 of which shall be available until September 30, 2004. The funding reflects both the Senate- and House-passed funding levels. The House amount was a \$700,000 increase, effected through a Rules Committee amendment, in the \$243,547,000 allocated by the bill as reported from the Appropriations

---

<sup>46</sup> William Matthews, "Bush E-gov Fund to Double," *Federal Computer Week*, vol. 15, Mar. 26, 2001, p. 8.

<sup>47</sup> *FY2002 Budget, Analytical Perspectives*, p. 356.

Committee. The provided funds are in the amount requested in the President's FY2002 budget.

P.L. 107-67 provides \$39,143,000 for repairs and restoration, \$28,500,000 of which was designated for a new Southeast regional archives facility to be constructed on land to be acquired by direct payment or the provision of site improvements from the State of Georgia or Clayton County or some other governmental authority thereof. The Senate had provided \$30,500,000 for construction of a NARA facility in Georgia and \$41,143,000 for repairs and restoration of NARA facilities,. The House had allocated \$24,643,000 for repairs and restoration of NARA facilities—\$10,643,000 as requested in the President's budget and \$14 million made available, through the adoption of an amendment during floor debate, from the General Services Administration Federal Buildings Fund for the NARA facility to be built in Georgia.

P.L. 107-67 provides \$6,436,000 for the NHPRC grants program, as requested in the President's budget. This was the amount approved by the Senate. The Senate Appropriations Committee report on the bill had noted the interest of two libraries in preserving and making accessible their particular holdings of the papers of John Adams and Calvin Coolidge, and had encouraged the NHPRC to work with the officials of those institutions to develop competitive grant proposals. Similarly, within the funds provided, the Committee had recommended that the NHPRC work closely with the University of Hawaii and the University of Alaska to develop a proposal for cataloging the historic records relating to statehood in preparation for the 50<sup>th</sup> anniversary statehood celebrations in Hawaii and Alaska. The House had provided \$10 million for the NHPRC grants program, which was an increase of \$5,564,000 above the President's request. Of the grants funds allocated by the House, \$1,700,000 was specified for assisting the Oklahoma Centennial Commission with memorializing the Oklahoma Land Run, and \$1 million was specified for the Boston Public Library to assist with preserving and enhancing its holdings of materials related to John Adams.

Also accepted in the final version of the bill was conferee report language amending section 2105 of Title 44, United States Code, to allow the Archivist to appoint directors at presidential archival depositories as qualifying for Senior Executive Service positions. During Senate consideration of the bill, a floor amendment (amendment No. 1575) authorizing the Archivist to appoint directors at presidential archival depositories as qualifying for Senior Executive Service positions was adopted.

The total amount appropriated for NARA by the House, \$278,290,000, was adjusted by \$6,612,000 for debt reduction, making the allocation \$272,278,000.

Drawing upon funds made available to him by the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY2001, President Bush, on October 16, 2001, allocated \$7 million to NARA, \$4.8 million for the operating expenses account for additional guard services at NARA-owned facilities, and \$2.2 million for the repairs and restoration account. (See the Terrorism section of this report.)

**Office of Government Ethics (OGE).** The Office of Government Ethics, a small agency within the executive branch, was established by the Ethics in Government Act of 1978. Originally part of the Office of Personnel Management, OGE became a separate agency on October 1, 1989, as a result of the Office of Government Ethics Reorganization Act of 1988. The Office of Government Ethics exercises leadership in the executive branch to prevent conflicts of interest on the part of government employees, and to resolve those conflicts of interest that do occur. In partnership with executive branch agencies and departments, OGE fosters high ethical standards for employees and strengthens the public's confidence that the government's business is conducted with impartiality and integrity.

P.L. 107-67 funds OGE at \$10,117,000, an increase of \$454,000 from FY 2001 funding. This is the amount approved by the House of Representatives. The FY2002 request had been \$10,060,000, an actual increase from FY2001 of \$397,000. Although the House approved the \$10,117,000, the Senate approved \$10,060,000.

For FY2001, P.L. 106-554 appropriated the requested amount of \$9,684,000, which was subject to a .22% rescission of \$21,000. Accordingly, the net funding for FY2001 was \$9,663,000.

On December 20, 2001, legislation (S. 1202) reauthorizing the OGE through FY2006 was cleared for the President's approval.

**Office of Personnel Management (OPM).** The budget for OPM is comprised of budget authority for both permanent and current appropriations. This report discusses the budget authority for current appropriations. The agency is responsible for administering personnel management functions. Among the activities OPM engages in are helping agencies develop merit-based human resources management accountability systems to support their missions; managing the federal government's merit-based employment system; administering the retirement, health benefits, and life insurance programs for current and retired federal employees; developing and implementing policies on pay and leave administration; and developing and administering policies, regulations, and guidelines on employee relations. The Office of Inspector General (OIG) conducts audits, investigations, evaluations, and inspections throughout the agency and may issue administrative sanctions related to the operation of the Federal Employees Health Benefits Program.

P.L. 107-67 provides an appropriation of \$15,508,134,000 for OPM. This total includes discretionary funding of \$99,636,000 for salaries and expenses and \$1,498,000 for OIG salaries and expenses. It also includes mandatory funding of \$6,145,000,000 for the government payment for annuitants of the employees health benefits program,<sup>48</sup> \$33,000,000 for the government payment for annuitants of the employee life insurance program, and \$9,229,000,000 for payment to the civil service retirement and disability fund. Not included in this total are trust fund transfers of \$115,928,000 for salaries and expenses (of which \$21,777,000 would remain available until expended for the cost of automating the retirement record-keeping systems) and

---

<sup>48</sup> The President's budget shows an appropriation of \$6,102,000,000, but the House Appropriations committee report states that the amount requested was \$6,145,000,000.

\$10,016,000 for OIG salaries and expenses. (In FY2001, \$101,986,000 for salaries and expenses and \$9,745,000 for OIG salaries and expenses were transferred from trust funds.) The P.L. 107-67 amounts were passed by the House and agreed to by the conference committee.

The President's FY2002 budget proposed an appropriation of \$15,507,434,000 for the agency. This total included discretionary funding of \$99,036,000 for salaries and expenses; \$1,398,000 for the OIG; and the same amounts as P.L. 107-67 provides for the other accounts. The request, not including the trust fund transfers, was 7% above the FY2001 funding minus the rescission. The House and Senate committees recommended, and the Senate passed, the same amount as the President requested.

The agency's FY2001 appropriation, not including the trust fund transfers, was \$14,497,672,000. P.L. 106-554 also provided for a 0.22% or \$462,000 across-the-board cut in the FY2001 funding.<sup>49</sup> After this reduction, the FY2001 funding was \$14,497,210,000.

The House committee's report:

directs the Office of Personnel Management to submit a report within 120 days of enactment on the cost of administering the FWS, [Federal Wage System] including the cost of data collection, the cost of analyzing FWS data and its transformation into FWS pay lines and wage schedules, the cost of operating the Federal Prevailing Rate Advisory Committee, and the number of FWS workers in each Federal agency. This information will help to determine whether the data used by the FWS justifies its cost, and whether other mechanisms for setting federal blue collar worker pay would be more effective.<sup>50</sup>

In its report, the Senate committee expressed support for "providing the technology necessary to modernize the Federal employee retirement system," but:

recommends that OPM reach out to GAO for guidance and support on this initiative and encourages the establishment of a relationship for the duration of the project. The Committee expects to be informed regularly by OPM and GAO on the progress of this IT [information technology] project.<sup>51</sup>

**Office of Special Counsel (OSC).** The agency investigates federal employee allegations of prohibited personnel practices and, when appropriate, prosecutes matters before the Merit Systems Protection Board; provides a channel for whistle blowing by federal employees; and enforces the Hatch Act. In carrying out the latter activity, the OSC issues both written and oral advisory opinions. The OSC may require an agency to investigate whistleblower allegations and report to the Congress and the President as appropriate.

---

<sup>49</sup> *FY2002 Budget, Analytical Perspectives*, p. 353.

<sup>50</sup> House Report, p. 83.

<sup>51</sup> Senate Report, p. 83.

P.L. 107-67 provides an appropriation of \$11,891,000 for the OSC. This was the amount passed by the House and agreed to by the conference committee. The President's FY2002 budget proposed an appropriation of \$11,784,000. According to the budget, "this request will enable OSC to continue its efforts to reduce its long-standing case processing backlogs." The agency's revised FY2002 strategic plan "place[s] more emphasis on prioritizing cases by category and resource allocation, while improving quality."<sup>52</sup> The request was 6.0% above the FY2001 funding minus the rescission.

The House committee recommended an appropriation of \$11,823,000. The Senate committee recommended, and the Senate passed, the same amount as the President requested.

The agency's FY2001 appropriation was \$11,147,000. P.L. 106-554 also provided for a 0.22% or \$25,000 across-the-board cut in the FY2001 funding.<sup>53</sup> After this reduction, the FY2001 funding was \$11,122,000.

## General Provisions

This section of the report discusses, briefly, general provisions such as government-wide guidance on basic infrastructure-like policies. Examples would be provisions related to the Buy America Act, drug-free federal workplaces, and authorizing agencies to pay GSA bills for space renovation and other services which are annually incorporated into the Treasury and General Government appropriations legislation. Quite frequently, additionally, there will be provisions which relate to specific agencies or programs. For both Title V and VI, with noted exceptions, the sections discussed here will be those which are new or contain modified policies. The Administration's proposed language for general provisions in Title VI is found the *Appendix*.<sup>54</sup> The amendments adopted and rejected during House consideration and passage of H.R. 2590 July 25 and the Senate amendments considered and adopted September 19, are presented in the section of the report entitled "Status and Legislative History."

Under **Title V**, P.L. 107-67 includes a new provision (section 515) regarding prohibiting the use of funds to any person or entity convicted of violating the Buy American Act.

**Title VI** contains several new or significantly modified, provisions as agreed to by the conferees.

Section 619 modifies and continues the provision prohibiting the importation of any goods manufactured by forced or indentured child labor.

---

<sup>52</sup> *FY2002 Budget, Appendix*, p. 1203.

<sup>53</sup> *FY2002 Budget, Analytical Perspectives*, p. 357.

<sup>54</sup> *FY2002 Budget, Appendix*, pp. 9-14.

Section 630 continues and makes permanent the provision authorizing agencies to provide childcare in federal facilities. (See discussion below.)

Section 634 extends the authorization for franchise fund pilots for one year.

Section 635 clarifies that the Department of the Navy will provide and pay for utilities for the official residence of the Vice President without reimbursement. This provision was proposed in the President's budget. An amendment to strike this language was defeated during House consideration and debate.

Section 636 authorizes the Secretary of the Navy to accept gifts of consumable items, or funds for the, to be accepted for use at official functions at the Vice President's residence, including the hosting of foreign dignitaries. This provision was proposed in the President's budget. A amendment to strike this language was defeated during House consideration and debate.

Section 637 clarifies that certain Title 5 authorities are available with respect to civilian personnel of the White House Office, the Executive Residence at the White House, the Office of the Vice President, the Domestic Policy council, and the Office of Administration. This provision was proposed in the President's budget.

Section 638 requires the Office of Personnel Management to submit a report regarding telecommuting centers.

Section 639 continues and modifies a provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites. Applies provision government-wide.

Section 640 amends Title 5 to clarify retirement benefits for air traffic controllers.

Section 641 amends 5 U.S.C. 4507 to make federal employees in senior technical positions eligible for Presidential rand awards.

Section 642 extends authority for the FEC to assess administrative fines for straightforward violations of reporting deadlines from December 31, 2001 to December 31, 2003.

Section 643, while continuing the contraceptive coverage in health plans participating in the Federal Employees Health Benefits Program (see discussion under federal personnel issues below), deletes the name of a provider no longer participating in the program. The requirement (section 630, FY2001), first enacted in FY1999, has been highly controversial. The Bush administration recommended eliminating the requirement.

Section 644 clarifies that the U.S. Anti-Doping Agency is the official anti-doping agency for the Olympic games.

Section 645 clarifies the status of certain employees of the United States-China Security Review Commission.

Section 646 provides a 4.6% pay adjustment for federal civilian white collar employees. The rule (H. Res. 206) on the bill provided for approval of an amendment which would provide \$27.9 million for partial costs associated with pay parity for civilian employees.

Section 647 directs departments and agencies to comply with the Rural Development Act of 1972.

Section 648 extends the deadline for the submission of annual reports by the United States-China Security Review Commission, as proposed by the Senate.

Section 649 allows the National Archives to establish SES positions at Presidential Libraries.

Section 650 extends authorization of the “Breast Cancer Research Stamp.”

Section 651 relates to the shipment by the U.S. Postal Service of day-old poultry.

Section 652 authorizes the “9/11 Heroes Stamp” as a semipostal.

Section 653 authorizes the “Stamp Out Domestic Violence” stamp.

### **Administration General Provision Proposals.**

The Bush Administration recommended elimination of the provision (section 609, FY2001) which prohibits payment to political appointees functioning in jobs for which they have been nominated, but not confirmed. This provision has been in the bill for at least twenty years. The previous administration also recommended its elimination. The House adopted an amendment which would reinstate that language.

The Bush Administration also recommended elimination of the provision (section 612, FY2001) which prohibits use of funds to “implement, administer, or enforce any regulation” which has been disapproved through statutorily authorized means. If the provision were eliminated, conceivably the executive could continue regulatory activities which Congress had disapproved, through resolution of disapproval or the Congressional Review Act. The provision, in the bill since the early 1980s, had been recommended for elimination by the previous administration also. The provision appears as section 612 P.L. 107-67.

Another section (section 621, FY2001) recommended for elimination by both the Bush and Clinton administrations, is that which requires that no funds may be obligated or expended for employee training that does not directly relate to the employee’s official duties, that contains elements likely to induce high levels of emotional response or psychological stress in some participants, that does not notify employees of content in the course or post-course evaluation, that contains any methods or content “associated with religious or quasi-religious belief systems or ‘new age’ belief systems,” and that is offensive to, or designed to change, participants’ personal values or lifestyles away from the workplace. The language affirms the agencies’ responsibilities to train staff for the performance of official

duties. This language has been in the bill since the mid-1990s. The provision appears as section 621 in the act.

Section 622 (FY2001) prohibits the use of funds to require and execute employee non-disclosure agreements without those agreements having whistle-blower protection clauses. The Bush proposal would eliminate that provision, which has been in the bill for over ten years. The provision appears as section 622 in the act.

Section 627 (FY2001) requires approval by the Committees on Appropriations of release of any “non-public” information such as mailing or telephone lists to any person or any organization outside the federal government. That provision would be eliminated under the President’s proposal. It appears as section 625 in the act.

Federal employees in executive agencies are required (section 629, FY2001) to “use official time in an honest effort to perform official duties.” That requirement, in the bill since FY1999, has been slated for elimination by both the Bush and Clinton budget proposals. The argument has been that the ethics statutes, in fact, place that same requirement on all federal personnel. The provision appears as section 627 in the act.

There were four new sections proposed in the President’s budget:

- to extend to October 1, 2002 the franchise fund pilot programs established under the Federal Financial Management Act of 1994 (P.L. 103-356) ( budget proposal section 628; P.L. 107-67, section 634 );
- to amend P.L. 93-346 to require that the Secretary of the Navy provide for utilities, including electrical, at the official residence of the Vice President (budget proposal section 629; section 635 in the act; an amendment on the House floor to strike this language was rejected);
- to amend P.L. 93-346 to authorize and direct the Secretary of the Navy to accept donations of money or property or use at official functions in or about the official residence of the Vice President (budget proposal section 630; H.R. 2590, section 636 in the act; an amendment on the House floor to strike this language was rejected); and
- to provide that the heads of the White House Office, the Executive Residence at the White House , the Office of the Vice President, the Domestic Policy Staff, and the Office of Administration would have full employment authority over all federal personnel (from any branch) detailed to any of their respective entities (budget proposal section 631; section 637 in the act).

See the section on federal child care policies below for a discussion of changes proposed to those policies (section 633, FY2001, budget proposal and P.L. 107-67 section 624).

There are several general provisions which the Bush budget would eliminate because they were made permanent through the FY2001 legislation. See “Status and Legislative History” above for information on House floor amendments which were adopted.

## Terrorism

According to the Office of Management and Budget, several accounts under this appropriation (Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, U.S. Customs Service, U.S. Secret Service, and the General Services Administration) receive funding for functions related to countering terrorism. With the exception of the Counterterrorism fund account within the Department of the Treasury, none of the agencies carry a line account specifically funding counterterrorism, or terrorism responses. Certain accounts have been allocated funds from the Emergency Response Fund established through P.L. 107-38. Also, under the provisions of P.L. 107-38, a further supplemental appropriation is authorized. The Administration submitted specifics for the allocation of funds under such an emergency supplemental and P.L. 107-117 appropriated funds. There has been established, within the Executive Office of the President and Office of Homeland Security.

The role of the Department of the Treasury relates to both its statutory missions and the capabilities of its law enforcement groups. Although the Federal Bureau of Investigation is the lead agency for several functions, the Customs Service has the lead in preventing terrorist from entering the United States, the Secret Service is responsible for protection of officials and facilities and has the lead in providing security plans to prevent terrorist incidents at National Special Security Events, such as the 2002 Olympics; and the Bureau of Alcohol, Tobacco and Firearms is the lead on firearms and explosives. The Department itself has a general responsibility for the support and security of the nation's financial structure.

The General Services Administration has the responsibility for the management and oversight of federal buildings and federal real property. Under the Government Information Security Reform Act of 2000, (P.L. 106-398) the GSA is directed to assist agencies in fulfilling their responsibility to maintain procedures for detecting, reporting, and responding to security incidents. In this latter regard, GSA operates the Federal Computer Incident Response Center (FedCIRC), whose purpose it is to ensure that the government has a central focal point for handling computer security related incidents, can withstand or quickly recover from attacks against its information systems, and has a centralized computer security information-sharing program.

## Counterterrorism Activity Funding — OMB Annual Report

The Office of Management and Budget is required to submit an *Annual Report on Combating Terrorism*. The most recent of these was issued in August 2001 [<http://www.whitehouse.gov/omb/legislative>] and provides some details on the funding for these agencies.

That report notes that the FY2002 Budget request suggested modifications to the Treasury Counterterrorism Fund

In order to provide greater flexibility in managing counterterrorism programs, in which the needs for funding are often temporary and unforeseen, the

Counterterrorism Fund in the President's FY2002 budget is patterned after the fund that has been established at the Department of Justice. As proposed, the Treasury Counter-terrorism Fund would still be used only for the costs of providing support to counter, investigate, or prosecute terrorism, including rewards in connection with these activities. Although expenditures would not have to be designated emergency requirements, any amount provided from the Fund would be available only after notice of its proposed use had been transmitted to the Congress and such amount had been apportioned pursuant to 31 U.S.C. 1513(b). This would ensure adequate Congressional oversight of Fund expenditures, while permitting its use in all appropriate circumstances. (page 83)

Please note that Table 2 does not include a specific line amount for the fund. Although no explanation is provided, it is assumed, since the funding amounts correspond to those for the Fund, that the figures under the Departmental Offices are those for the Fund. The House Committee on Appropriations data provided for tracking the accounts shows that the FY2001 enacted \$54.9 million, the President's request was \$44.9 million, the House- passed version would fund the account at \$36.9 million, and the Senate version, as reported, is \$44.9 million (see Table 7 below). The Senate report indicates a recognition of the varied responsibilities held by the Treasury bureaus and indicates the expectation that these funds would be used to reimburse them for activities including travel, transportation, and other support services.<sup>55</sup>

Table 2 provides funding information drawn from the tables at the end of the OMB report (pages 92, 98-100). Please note that OMB does not indicate whether these are budget authority figures or outlays.

**Table 2. Department of the Treasury and General Services Administration Funding to Combat Terrorism Including Defense Against Weapons of Mass Destruction**  
(in millions of dollars)

| Agency or Account                                    | FY2001<br>Enacted | FY2002<br>Request |
|--|-------------------|-------------------|
| <b>Department of the Treasury</b>                    | <b>\$432.3</b>    | <b>\$419.4</b>    |
| Alcohol, Tobacco, and Firearms                       | 31.5              | 31.7              |
| Departmental Offices                                 | 54.9              | 44.9              |
| Engraving and Printing                               | 6.0               | 6.0               |
| Federal Law Enforcement Center                       | 3.4               | 3.4               |
| Financial Management Service                         | 3.1               | 2.4               |
| Internal Revenue Service                             | 18.6              | 21.2              |
| Treasury IG for Tax Administration                   | 5.8               | 6.0               |
| U.S. Customs Service                                 | 81.4              | 71.7              |
| U.S. Secret Service                                  | 227.7             | 232.2             |
| <b>General Services Administration</b>               |                   |                   |
| Public Buildings Service, Federal Protective Service | 105.9             | 105.6             |

---

<sup>55</sup> Senate report, p. 13.

## Emergency Response Fund

Subsequent to the September 11, 2001 attacks, Congress enacted P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY2001.<sup>56</sup> The Emergency Response Fund has been established and the President may allocate funds (up to a total of \$20 billion) as necessary to support the recovery, response, and national security activities as dictated by circumstances related to the attacks. Congress has been notified of six allocations affecting accounts covered by the Treasury and General Government Appropriations. The funds in five (September 21 and 28, October 5, November 8 and 30) were made available immediately. The other allocation was forwarded to Congress November 5, with funds to be made available to the Department of the Treasury immediately and to the U.S. Postal Service after a 15-day congressional review period.<sup>57</sup> P.L. 107-38 also authorized the emergency supplemental enactment of an additional \$20 billion. The Administration sent forward its recommended allocations under that measure. Congress made some changes and included the supplemental appropriation as Division B of the FY2002 Department of Defense Appropriation.

To date, the allocations for accounts within the Treasury and General Government appropriation total \$370.9 million. The two largest single allocations to accounts usually funded by this appropriation are \$51 million to the President's Unanticipated Needs fund and \$175 million to the Postal Service. Table 3 presents information on allocations to those accounts. Details on purposes are provided as available. P.L. 107-117 funds the covered accounts for a total of \$1,283.4 million. See Table 4 for details.

## Emergency Supplemental Authorized Under P.L. 107-38

In addition to the \$20 billion in the Emergency Response Fund, P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY2001, authorizes an emergency supplemental of up to \$20 billion, for the purposes of response and recovery. P.L. 107-117 appropriates a total of \$1,283.4 million for the accounts covered by the Treasury and General Government appropriation.<sup>58</sup> The allocations are not identical to those described as sent from the Administration. See Table 4 for details.

On October 16, the Administration detailed to Congress how those funds should be allocated. Several accounts within the Treasury and General Government

---

<sup>56</sup> P.L. 107-38; Sept. 18, 2001; (H.R. 2888, 107<sup>th</sup> Congress). See *Terrorism Funding: Congressional Debate on Emergency Supplemental Allocations*, a CRS Report (RL31187).

<sup>57</sup> The texts of the allocation communications from the Administration to Congress can be found at [<http://w3.access.gpo.gov/usbudget/fy2002/amndsup.html>]. Estimates No. 15, 17, 18, 20, 21, 22, and 23 contain information on all such allocations for all appropriated funds government wide.

<sup>58</sup> P.L. 107-117 (H.R. 3338); Jan. 10, 2002; 115 Stat. 2230.

Appropriation would be affected.<sup>59</sup> According to the summaries provided by the Administration:

The \$315.2 million in funding proposed for the Treasury Department would provide: \$114.2 million for the customs Service to improve and expand airport and aviation security as well as increase efforts of inspectors at high-risk seaports and land borders; \$104.8 million for the Secret Service to fund necessary, additional expenses incurred due to the attacks, and \$96.2 million for other Treasury Department emergency expenses, including \$37.2 million for the Internal Revenue Service to replace damaged equipment in their New York offices.

This proposal would provide \$50.0 million to enable the Executive Office of the President to meet additional requirements in response to the September 11<sup>th</sup> terrorist attacks and to ensure the continuity of support and services to the president and Vice President of the United States.

A total of \$200.5 million is requested for the Federal Buildings Fund [GSA] to increase security services nationwide at Federal buildings, for replacement space costs in New York City, for additional security equipment nationwide, and other security costs.

In addition, \$7 million would be allocated to the National Archives and Records Administration. The total Administration allocations would have been \$512.7 million for these accounts.

On December 20, 2001, Congress cleared H.R. 3338 (Department of Defense Appropriations, 2002) for the President's approval. Division B of P.L. 107-117, signed January 10, 2002 is the Emergency Supplemental Appropriation and provides \$1,283.4 million for accounts under discussion in this report.

## Office of Homeland Security

During his September 20, 2001 speech before a joint session of Congress on the September 11, 2001 terrorist attacks on America, President George W. Bush announced that he was creating the Office of Homeland Security as a Cabinet-level position reporting directly to him.<sup>60</sup> The President also announced that Pennsylvania Governor Tom Ridge would head the office. President Bush issued Executive Order 13228 on Monday, October 8, 2001 establishing within the Executive Office of the

---

<sup>59</sup> Communication from the Office of Management and Budget, with a cover letter from President George Bush to the Speaker of the House of Representatives, dated Oct. 16, 2001 (Estimate No. 19), as required under P.L. 107-38 [<http://w3.access.gpo.gov/usbudget/fy2002/amndsup.html>].

<sup>60</sup> U.S. President (George W. Bush), *Weekly Compilation of Presidential Documents*, vol. 37, Sept. 24, 2001, p. 1349. See also: U.S. Library of Congress, Congressional Research Service, *Homeland Security: the Presidential Coordination Office*, CRS Report No. RL31148, by Harold C. Relyea.

President an Office of Homeland Security.<sup>61</sup> The mission of the office is to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks. On October 5, \$25,000,000 was allocated from the Emergency Response Fund for the Office of Homeland Security.

Tom Ridge, who resigned as Governor of Pennsylvania on October 5, 2001, was sworn in on October 8 and will serve as Assistant to the President for Homeland Security. *The New York Times* reported that Mr. Ridge moved into a West Wing office, will have a staff of 100, and "was given a \$25 million start-up budget." Mr. Ridge will also serve as a member of the Homeland Security Council, also established by President Bush by Executive Order 13228 on October 8.

The press has provided considerable discussion of the office, its funding, and its operation prior to the executive order. *Government Executive* quoted White House spokesman Ari Fleischer as saying that the President would establish the office by executive order and that Mr. Ridge would serve as an assistant to the President.<sup>62</sup> At a press briefing on September 21, 2001, Mr. Fleischer stated that questions of funding and staff for the office are still being considered; a combination of new staff and loaned staff from the Department of Justice and other departments could be used.<sup>63</sup> The *Washington Post* reported that Mr. Ridge "will have his own budget and 'significant' staff" and will "recommend the parameters."<sup>64</sup> According to *Congressional Quarterly*, Senators Bob Graham, Chairman of the Senate Select Committee on Intelligence, Joseph Lieberman, Chairman of the Senate Committee on Governmental Affairs, and Dan Burton, Chairman of the House Committee on Government Reform and Oversight want the new office to be established by legislation and given budget authority.<sup>65</sup> Although Mr. Ridge did not officially resign the governorship until October 5, 2001, the Harrisburg, PA. *Patriot-News* reported that "much of the next two weeks will be spent in close contact with administration, law enforcement and intelligence officials to begin organizing and staffing the new office." The newspaper quoted a White House official as saying that "the administration is working with Congress on legislation to provide independent budget authority."<sup>66</sup>

---

<sup>61</sup> Executive Order 13228, signed Oct. 8, 2001; 66 FR 51812, Oct. 10, 2001

<sup>62</sup> Tom Shoop, "Bush Creates Homeland Defense Agency," *Government Executive*, Sept. 20, 2001.

<sup>63</sup> White House Press Briefing, Sept. 21, 2001.

<sup>64</sup> Ellen Nakashima and Bradley Graham, "Direct Authority Called Key in Homeland Agency," *Washington Post*, Sept. 22, 2001, p. A07.

<sup>65</sup> Alan K. Ota, "Hill Chairmen Demand Role in Oversight of Ridge's Office," *CQ Monitor News*, Sept. 21, 2001.

<sup>66</sup> Brett Lieberman, "Ridge to Oversee Federal Agencies' Terrorism Response," *The Patriot-News*, Sept. 22, 2001. Available on the Internet at [<http://www.patriot-news.com/>], visited Sept. 24, 2001.

**Table 3. Emergency Response Fund Allocations**<sup>67</sup>

| Emergency Response Fund Allocations      |             |         |  |
|--|-------------|---------|--|
| Account                                  | Allocation  | Date    | Purpose  |
| <b>Department of the Treasury</b>        |             |         |  |
| Departmental Offices                     |             |         |  |
| Salaries and Expenses                    | \$6,100,000 | 9/21/01 | Support the immediate response and recovery needs of the approximately 1,000 Treasury employees who were located in or near the World Trade Center complex, most of whose offices were destroyed. These funds will also be used to establish a Foreign Terrorist Assets Tracking Center, as well as fund Customs Service air support for counterterrorism activities. [This general statement was presented as including IRS as well.] |
| Salaries and Expenses                    | \$9,400,000 | 11/8/01 |  |
| Financial Crimes Enforcement Network     | \$60,000    | 9/21/01 |  |
| Financial Management Service             |             |         |  |
| Salaries and Expenses                    | \$110,000   | 9/21/01 | The November 8 allocation provides the necessary resources for staff facilities, equipment, and other support for the Air Transportation Stabilization Board, recently created, in anticipation of appropriations passage for that purpose. N.B. That funding was not included in the subsequent supplemental appropriation.   |
| Bureau of Alcohol, Tobacco, and Firearms |             |         |  |
| Salaries and Expenses                    | \$1,530,000 | 9/21/01 |  |

<sup>67</sup> Unless otherwise noted, the information on the table is in communications from the Office of Management and Budget, with a cover letter from President George Bush to the Speaker of the House of Representatives, dated Sept. 21, 2001 (Estimate No. 15) and Sept. 28, 2001 (Estimate No. 17), dated Oct. 5, 2001 (Estimate No. 18), Nov. 5, 2001 (Estimate No. 21), Nov. 8, 2001 (Estimate No. 22), and Nov. 30, 2001 (Estimate No. 23), as required under P.L. 107-38 [<http://w3.access.gpo.gov/usbudget/fy2002/amndsup.html>].

### Emergency Response Fund Allocations

| Account   | Allocation   | Date     | Purpose  |
|---|--------------|----------|--|
| U.S. Customs Service  |              |          | The November 5 allocation for the Customs Service is to support 100 State-activated National Guard troops for three months to enhance security and expedite U.S. Customs Service checks at U.S.-Canadian ports of entry. |
| Salaries and Expenses   | \$21,000,000 | 9/21/01  |  |
| Salaries and Expenses   | \$2,337,000  | 11/5/01  |  |
| Operation, Maintenance, & Procurement<br>Air & Marine Interdiction Programs | \$14,700,000 | 9/21/01  |  |
| Internal Revenue Service <sup>68</sup>                                      |              |          |  |
| Processing, Assistance, and Management                                      | \$1,920,000  | 9/21/01  | Response funding: security, grief counseling, overtime, travel, mail and telephone operations  |
| Tax Law Enforcement   | \$2,170,000  | 9/21/01  | Response and Recovery funding: security expenses, investigative, replacement of destroyed office equipment, automobiles, overtime, travel, and per diem.   |
| Information Systems   | \$450,000    | 9/21/01  | Response and Recovery funding: overtime, reimbursement for police protection, wiring of temporary locations, replace destroyed data infrastructure and equipment, installation hardware.                                 |
| U.S. Secret Service<br>Salaries and Expenses                                | \$36,714,000 | 11/30/01 | Includes resources for increased overtime and travel for Secret Service officers and agents.   |

<http://wikileaks.org/wiki/CRRL1002>

<sup>68</sup> IRS document provided to CRS by IRS Office of Legislative Affairs, Oct. 4, 2001, details the purpose of the funds.

### Emergency Response Fund Allocations

| Account                                  | Allocation    | Date     | Purpose   |
|--|---------------|----------|---|
| <b>U.S. Postal Service</b>               |               |          |   |
| Payment to the Postal Service Fund       | \$175,000,000 | 11/05/01 | These resources include: \$100 million for an initial purchase of irradiation equipment to sanitize the mail; and \$75 million for the costs of personnel protection equipment (e.g., gloves, masks, barrier creams), first response/environment testing kits and services, site clean-up and medical goods and services, and public education materials. |
| <b>Executive Office of the President</b> |               |          |   |
| Office of Administration                 |               |          |   |
| Salaries and Expenses                    | \$500,000     | 9/21/01  | Install protective window film for Executive Office of the President  |
|  | \$6,688,000   | 9/28/01  | Relocation of Eisenhower Executive Office Building personnel and other security needs   |
|  | \$25,537,000  | 10/5/01  | To support the establishment of the Office of Homeland Security and for other security-related purposes. According to staff at the Office of Management and Budget, \$25 million will go to the Office of Homeland Security and \$537,000 will go to the Office of the U.S. Trade Representative.   |

### Emergency Response Fund Allocations

| Account   | Allocation           | Date    | Purpose   |
|---|----------------------|---------|---|
| Federal Drug Control Programs   |                      |         |   |
| High Intensity Drug Trafficking Areas   | \$2,300,000          | 9/28/01 | For use of New York High Intensity Drug Trafficking Areas task forces to replace destroyed equipment in order to ensure continued operations.   |
| National Security Council (NSC)   |                      |         |   |
| Salaries and Expenses   | \$4,800,000          | 10/5/01 | To support the establishment of a NSC Directorate to Combat Terrorism.  |
| Unanticipated Needs, President  | \$51,000,000         | 10/5/01 | No explanation except to provide for “other urgent security-related activities.”  |
| General Services Administration   |                      |         |   |
| Real Property Activities<br>Federal Buildings Fund  | \$8,600,000          | 9/21/01 | Support increased security coverage of federal buildings; purchase security equipment; structural studies of seven federal locations affected by the New York City disaster; overtime and travel costs for law enforcement personnel; and other security costs. |
| <b>Total Allocations to Treasury and General Government Accounts, as of January 3, 2002</b> | <b>\$370,916,000</b> |         |   |

<http://wikileaks.org/wikileaks.org/31002>

**Table 4. Emergency Supplemental Allocation Request and Enactment**

| Account                                       | Amount      |             | Purpose  |
|---|-------------|-------------|--|
|   | Request     | Enacted     |  |
| <b>Department of the Treasury</b>             |             |             |  |
| Departmental Offices<br>Salaries and Expenses | \$9,400,000 | \$0         | To cover administrative expenses related to the Air Transportation Stabilization Board. The Departmental Offices bureau is responsible for providing staff, supplies, facilities, and equipment for the Board to administer the guaranteed loan program for the airline industry   |
| Inspector General for Tax Administration      | \$2,032,000 | \$2,032,000 | To enable the Treasury IG for Tax Administration to replace equipment and offices destroyed by the terrorist attack in New York.   |
| Financial Crimes Enforcement Network          | \$1,700,000 | \$1,700,000 | To hire additional financial intelligence support staff and expand its Secure Compartmentalized Intelligence Facility in response to the September 11 <sup>th</sup> terrorist attacks. The additional staff will assist the financial crimes/money laundering component of the investigation into the World Trade Center and Pentagon attacks. |

## Emergency Supplemental Allocation Request and Enactment

| Account   | Amount       |              | Purpose   |
|---|--------------|--------------|---|
|   | Request      | Enacted      |   |
| Federal Law Enforcement Training Center<br>Salaries and Expenses                                      | \$13,846,000 | \$23,000,000 | To enable FLETC to provide basic and advanced training to the law enforcement community in response to the terrorist attacks. FLETC anticipates training additional Federal Aviation Administration Sky Marshals, Immigration and Naturalization Service agents, Border Patrol inspectors, and other law enforcement personnel. The conference report stipulates that \$9,154,000 is provided for training costs associated with new hiring by law enforcement agencies.  |
| Federal Law Enforcement Training Center<br>Acquisition, Construction Improvement and Related Expenses | \$0          | \$8,500,000  | Expedite acquisition of architectural and engineering services for the construction of facilities at Cheltenham, Maryland, training facility.   |
| Financial Management Service  | \$600,000    | \$0          | To enable FMS to conduct vulnerability assessments, develop and maintain Emergency Management, Disaster recovery and Contingency Plans, and conduct security tests and exercises at all FMS facilities.   |
| Bureau of Alcohol, Tobacco and Firearms   | \$31,431,000 | \$31,431,000 | For overtime and travel for ATF agents; the replacement of vehicles, radios, computers, technical equipment and other investigative equipment lost at World Trade Center offices; additional personnel for terrorism investigations; and enhancement of ATF's explosives detection canine program.<br>Enacted designates \$5,200,000 which may be used for necessary expenses of site acquisition, construction, operations, maintenance and repair of the special purpose canine training facilities in Front Royal, Virginia. |

## Emergency Supplemental Allocation Request and Enactment

| Account   | Amount        |               | Purpose  |
|---|---------------|---------------|--|
|   | Request       | Enacted       |  |
| U. S. Customs Service Salaries and Expenses   | \$107,500,000 | \$392,603,000 | To improve and expand airport and aviation security as well as increase efforts of inspectors at high-risk seaports and land borders. Funding is also included for the cost of equipment replacement that was destroyed in the attack.<br>Availability of \$245,505,000 is pending submission of a financial plan “based upon a comprehensive assessment of the most effective uses of the Service’s resources...for protection along the Northern Border, Southwest Border, and at critical seaports.” Not less than \$10,000,000 is designated for the Southwest Border; \$18,300,000 for a commercial backup data facility; and \$21,300,000 to support overseas initiatives to counter money laundering such as that used to finance terrorist or criminal activity. |
| U.S. Customs Service Operation, Maintenance and Procurement, Air and Marine Interdiction Programs | \$6,700,000   | \$6,700,000   | To support increased air security necessary since September 11, 2001.  |
| Internal Revenue Service Processing, Assistance, and Management                                   | \$16,658,000  | \$12,990,000  | To enable IRS to replace equipment and offices destroyed in New York City. It will also fund customer service to help taxpayers impacted by the attack, and enhance security at critical IRS facilities.   |
| Internal Revenue Service Tax Law Enforcement  | \$4,544,000   | \$4,544,000   | To enable IRS to replace equipment and offices destroyed and to increase its participation in investigative activities to combat terrorism   |
| Internal Revenue Service Information Systems  | \$15,991,000  | \$15,991,000  | To enable IRS to replace equipment destroyed and to ensure the continued protection of the nation’s taxpayer data.   |

## Emergency Supplemental Allocation Request and Enactment

| Account  | Amount        |               | Purpose   |
|--|---------------|---------------|---|
|  | Request       | Enacted       |   |
| U.S. Secret Service                            | \$104,769,000 | \$104,769,000 | For overtime and travel for Secret Service agents; the replacement of vehicles, radios, computers, technical equipment, and protective equipment lost at World Trade Center offices; additional personnel; technical equipment and training for terrorism detection, investigations, and preparedness; and additional security measures for the White House.  |
| U.S. Postal Service                            |               |               |   |
| Payment to the Postal Service Fund             | \$0           | \$500,000,000 | To enable the Postal Service to protect postal employees and postal customers from exposure to biohazardous materials, to sanitize and screen the mail, and to replace or repair Postal Service facilities destroyed or damaged in New York City as a result of the September 11, 2001 terrorist attacks. No funds may be used to sanitize mail until USPS submits to Congress an emergency preparedness plan to combat the threat of biological and chemical substances in the mail.                                       |
| Executive Office of the President              |               |               |   |
| Office of Administration Salaries and Expenses | \$50,040,000  | \$50,040,000  | To enable the Executive Office of the President to meet additional requirements in response to the September 11 terrorist attacks and to ensure the continuity of support and services to the President and Vice President of the United States.<br>Note: The text of H. Rept. 107-350 in the <i>Congressional Record</i> shows \$126,512,000 being appropriated. However, the explanatory remarks show \$50,040,000. Since \$126,512,000 is the amount for the next account, it is assumed that was a typographical error. |

## **Emergency Supplemental Allocation Request and Enactment**

| Account   | Amount            |                     | Purpose  |
|---|-------------------|---------------------|--|
|   | Request           | Enacted             |  |
| General Services Administration                   |                   |                     |  |
| Real Property Activities<br>Federal Building Fund | \$200,500,00<br>0 | \$126,512,000       | To increase security services nationwide at federal buildings, for replacement space costs in New York City, for additional security equipment nationwide, and other security costs. |
| National Archives and Records Administration      |                   |                     |  |
| Operating Expenses                                | \$4,818,000       | \$1,600,000         | For additional guard services at NARA-owned facilities.  |
| Repairs and Restoration                           | \$2,180,000       | \$1,000,000         | For building security upgrades at NARA-owned facilities, including entrance barriers, magnetometers, and security cameras.   |
| Total for accounts covered under<br>P.L. 107-67   | \$572,709,00<br>0 | \$1,283,412,00<br>0 |  |

Table 4 Sources:

Request: U.S. Office of Management and Budget, *Estimate #19--Emergency Supplemental (Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001)--10/17/01*. [<http://w3.access.gpo.gov/usbudget/fy2002/amndsup.html>], visited Jan. 2, 2002.

Enacted: "Conference Report on H.R. 3338, Department of Defense Appropriations Act, 2002," *Congressional Record*, daily edition, vol. 147, Dec. 19, 2001, H. Rept. 107-350. See "Division B—Transfers from the Emergency Response Fund Pursuant to Public Law 107-38" pp H10503, at H10530-10532 (for provisions) and H10816-H10817 (for explanatory language). As of Jan. 2, 2002, the legislation was pending presidential approval.

# Federal Personnel Issues

## Pay

**General.** Under the Federal Pay Comparability Act of 1990 (FEPCA), federal white collar employees, paid under the General Schedule and related salary systems, are to receive annual adjustments based on two separate mechanisms. The first is the adjustment to base pay which is based on changes in private sector salaries as reflected in the Employment Cost Index (ECI). The rate of pay adjustment is supposed to be the percentage rate of change in that element of the ECI, minus .5. For January 2002, the base pay adjustment is 3.6%.

The President's budget proposes a federal civilian pay increase of 3.6% in January 2002.<sup>70</sup> However, the proposal does not indicate how the pay increase would be split between basic pay and locality-based payments for the General Schedule and related pay systems. The FY2002 budget resolution (H.Con.Res. 83) as agreed to in the House March 28, 2001 and in the Senate April 6, 2001, expresses the sense of the Congress that there should be parity between military and civilian pay adjustments. President Bush recommended a 4.6% increase in military pay. The President did not submit an alternative plan by the end of August, which would indicate that the national General Schedule pay adjustment will be at the mandated ECI level of 3.6%. The deadline for an alternative plan related to locality based payments was the end of November.

P.L. 107-67 provides for a General Schedule increase of 4.6%. On July 17, the House Committee adopted an amendment which would bring the FY2002 civilian pay raise to \$4.6%. On July 25, the House, in adopting the rule (H.Res. 206) and subsequently passing H.R. 2590, provided \$27.9 million for partial costs associated with the 4.6% increase. S. 1398, as introduced, would fund the pay increase at 4.6%. (See also, CRS Report RL30744, *Federal Pay: FY2002 Salary Adjustment*, and CRS Report 94-971, *Pay and Retirement Benefits for Federal Employees: Increases Since 1969*).

Executive Order 13249, signed December 28, 2001, sets out the pay schedules. It establishes an average 4.6% pay increase for the General Schedule. All employees receive the 3.6% base pay adjustment. The locality-based comparability payments bring the net increases up by about 1% on average. The net adjustments range from 4.52% to 5.42%, with the Washington, D. C. area General Schedule employees receiving a 4.77% increase.

**Federal Wage System.** The Federal Wage System (FWS) is designed to compensate the federal blue collar, or skilled labor, force at rates prevailing in local wage areas for like occupations. If the statutory system were allowed to be managed as planned, the wage rates and the rates of adjustment in the over 130 wage areas would vary, according to the labor costs and compensation in the private sector. For the last several years, Congress has limited the rates of adjustment, based on the rates

---

<sup>70</sup> *FY2002 Budget, Analytical Perspectives*, p. 139.

of adjustment for the General Schedule.<sup>71</sup> Part of the rationale for that decision is that, in certain high costs areas, some FWS wages would exceed the salaries paid to General Schedule supervisors. Wages in lower cost areas will be allowed to increase according to the findings of the wage surveys but the high cost area wages will be capped.

The House committee, expressing concern about the adequacy of the wage surveys utilized in determining the cost of labor for Bureau of Prisons wage grade positions, would require a review and report by OPM within 90 days of enactment. OPM is also required to report on a proposal to realign a wage area in California.

P.L. 107-67 limits the wage grade adjustments to those received by the General Schedule. P.L. 107-117 extends the Monroney Amendment out-of-area survey application to Department of Defense personnel.

**Members of Congress, Judges, and Other Officials.** Under the Ethics Reform Act of 1989, as amended, pay adjustments for federal officials, including Members of Congress and judges, are also based on ECI calculations, but for a different 12-month period. The ECI calculations dictate a pay adjustment in January 2002 of 3.4%. However, the statute limits those adjustments to the rate of adjustment for base pay of the General Schedule. Therefore, hypothetically, if General Schedule base pay were adjusted at the rate of 3.3% or below, that would have been the maximum rate of adjustment in salaries of federal officials for January 2002.

Unlike that for Members of Congress and executive branch officials, the annual pay increase must be specifically authorized for judges. The authorization for the January 2001 pay increase is in the Commerce, State, Justice and Judiciary appropriation (P.L. 107-77, section 305). At no time, since the authorization was required, have the judges received lower adjustments than the other officials.

Because the mechanism described above is automatic, there is no bill language necessary to establish the pay adjustment for January 2002. During debate on the Treasury bill rule and provisions there was very brief discussion about whether the bill would allow an increase in pay for Members. The act (P.L. 107-67) is silent with regard to Member pay. (See also, CRS Report RS20278, *Judicial Salaries: Current Situation*; CRS Report 98-53, *Salaries of Federal Officials*; CRS Report RL30014, *Salaries of Members of Congress: Current Procedures and Recent Adjustments*, CRS Report 97-1011, *Salaries of Members of Congress: Payable Rates and Effective Dates, 1789-2001*; and CRS Report RS20388, *Salary Linkage: Members of Congress and Other Federal Officials*.)

**President.** Pursuant to the Treasury and General Government Appropriations Act, 2000 (P.L. 106-58), effective noon, January 21, 2001, the President receives a salary of \$400,000 *per annum*. Since 1969, Presidents had been paid a salary of \$200,000. No further action on presidential pay is expected. Former Presidents receive a pension equal to the rate of pay for Cabinet Secretaries (currently \$161,200) and the pension is adjusted automatically as those pay rates are changed. (See also,

---

<sup>71</sup> H.R. 2590 conference agreement section 613, Conference Report, p. 71.

## Federal Employees Health Benefits Program

The Federal Employees Health Benefits Program (FEHBP) is a program through which the Office Personnel Management contracts with health insurance carriers for group health coverage for federal civilian employees and retirees. It is a contributory program and the employees may choose from a selection of plans. A requirement that FEHBP cover prescription contraceptives was first included in the FY1999 appropriations legislation.

The budget proposes elimination of this requirement. The House Committee on Appropriations voted to retain the coverage provision. Below are data on contraceptive coverage in plans participating in the Federal Employees' Health Benefits Program (FEHBP). The Office of Personnel Management (OPM), which manages the FEHBP, compiled the data from 1998 plan benefit brochures.

- nearly 500 plans are listed as having contracts with OPM to provide health insurance or comprehensive care (primarily Health Maintenance Organizations) for federal employees and annuitants in 1998. Of these plans, 7 are fee-for-service plans open to any federal employee or annuitant world wide; 7 are fee-for service plans available to employees of certain agencies only (such as rural letter carriers or the foreign service). However, as a practical matter, most federal workers and annuitants have a choice of about 10 plans, depending on where they live. These 10 plans would include the 7 fee-for-service plans open to all FEHBP participants and 2 or 3 HMOs operating in a given geographic area.
- There are 4.1 million employee and retiree FEHBP policy holders (many of whom have family members included on their policy).
- The 7 government-wide fee-for-service plans have an “X” next to them in the left margin. To the right of those plan names is the number of enrolled policy-holders.
- The “CS” heading for the rightmost column means Catholic Sponsored.
- The check mark in the right margin means the plan offers no prescription contraceptive coverage, although it may offer family planning and sterilization. The checks with a slash are the CS plans.
- Nationwide, sterilization is the most popular means of birth control among mature women who have completed their families.

(See also, CRS Report RL30336, *The Federal Employees Health Benefits Program*, and CRS Report RS20818, *Federal Employees Health Benefits Program: Brief Facts.*)

## Federal Child Care

The Senate passed its amended version of H.R. 2590 on September 19, 2001, which included the same federal child care provisions included in the committee-reported bill S.1398 (with accompanying S.Rept. 107-57). The bill recommends that the pilot project permitting Executive agencies (with the exception of the General Accounting Office) to use their appropriated funds to help subsidize child care expenses for their lower paid employees be made permanent. These provisions, included in section 631 of the bill, mirror those included in section 629 of House bill H.R. 2590, passed by the House on July 25, 2001, as well as those in the President's budget request). The conference report (H. Rept. 107-253) filed on October 26, 2001 adopted this same language.

The provisions in this year's act are identical, with one addition, to the language found in section 633 of H.R. 5658, as enacted through P.L. 106-554. The provisions authorize use of appropriated funds (salaries and expenses accounts) to provide child care in a federally owned or leased facility, either directly or through contract, for civilian employees of the agency. The funds used are to be applied so as to improve affordability of the service for lower income personnel. The Committees on Appropriations are to be notified before implementation.

P.L. 107-67 (as would have both the House and Senate versions and the budget request) adds language which would authorizing payment to licensed or regulated child care providers "in advance of services rendered, covering agreed upon periods, as appropriate." (See also, *Child Care Issues in the 107th Congress*, CRS Report RL30944.)

## Federal Retirement

The funding in the OPM accounts reflects the government's contribution to the Federal Employees' Retirement System and the Civil Service Retirement System. Both systems require contributions by employees. In addition, there is a Thrift Savings Plan (TSP) created by the Federal Employees' Retirement System Act of 1986 (P.L. 99-335) as a retirement savings plan for civilian federal employees.

Under the terms of FERS Act, employees covered by the Federal Employees' Retirement System are permitted to contribute to the TSP the lesser of 10% of pay or the maximum deferral permissible under section 402(g) of the Internal Revenue Code (\$10,500 in 2001). Employees covered by the Civil Service Retirement System are permitted to contribute the lesser of 5% of pay or the maximum deferral permissible under IRC § 402(g). As amended by P.L. 106-554, the maximum allowable employee contribution to the TSP will increase by 1 percentage point each year for five years. The percentage-of-pay limitations on contributions to the TSP will then be eliminated. However, employee contributions to the TSP will remain subject to the limits applicable under IRC § 402(g). Beginning with the open season that starts May 15, 2001, employees covered by FERS will be allowed to contribute up to 11% of pay to the TSP, and those under CSRS will be allowed to contribute up to 6% of pay to the TSP. These maximum permissible contributions will rise by 1 percentage point each year until they reach 15% for FERS and 10% for CSRS in

fiscal year 2005. In fiscal 2006, the percent-of-pay limits on TSP contributions will be abolished, and employees will be subject only to the contribution limits then prevailing under IRC § 402(g). (See also, CRS Report RL30023, *Federal Employee Retirement Programs: Budget and Trust Fund Issues*.)

## Privacy Provisions

P.L. 107-67 retains (section 639) provisions from the House-passed version of the bill (section 638) continuing, in modified and expanded form, a limitation on federal agency monitoring of personal information on use of the Internet. The initial version of the prohibition appeared in the Transportation appropriations bill (section 501) funding some Treasury appropriations accounts for FY2001 (P.L. 106-346). Some confusion existed concerning the section's application to all executive agencies or only those funded by the Treasury appropriations bill. The new language approved by the conferees eliminates this confusion, saying, none of the funds "made available in this or any other Act may be used by any Federal agency" for the following purposes:

- (1) to collect, review, or create any aggregate list, derived from any means, that includes the collection of any personally identifiable information relating to an individual's access to or use of any Federal Government Internet site of the agency; or
- (2) to enter into any agreement with a third party (including another government agency) to collect, review, or obtain any aggregate list, derived from any means, that includes the collection of any personally identifiable information relating to an individual's access to or use of any nongovernmental Internet site.

Specified exceptions to these limitations include:

- (1) any record of aggregate data that does not identify particular persons;
- (2) any voluntary submission of personally identifiable information;
- (3) any action taken for law enforcement, regulatory, or supervisory purposes, in accordance with applicable law; or
- (4) any action described in subsection ... (1) that is a system security action taken by the operator of an Internet site and is necessarily incident to the rendition of the Internet site services or to the protection of the rights or property of the provider of the Internet site.

## 2002 Winter Olympics and Paralympics

Several of the agencies funded through the Treasury and General Government appropriations bill are providing support to the 2002 Winter Olympics and Paralympics hosted by the United States in Salt Lake City, Utah. The total Treasury and General Government funding, \$137,680,000 (FY2001 enacted) and \$59,956,000 (FY2001 supplemental, PL. 107-20) included only funding directly related to the games. It is noted that there are "many Federal costs that indirectly assist the Olympics and Paralympics but whose primary purpose was not to assist the Games." Those costs are not included in this budget presentation.

On July 24, the FY2001 funding supplemental<sup>72</sup> was signed by the President. In the conference report it was stated that \$59,956,000 was provided "to reimburse any agency of the Department of the Treasury or other Federal agencies for costs associated with providing operational and perimeter security at the 2002 Winter Olympics, as proposed by the Senate. The conferees expect that this funding will be provided to the following agencies, as shown in the following table. Adjustments to this funding can be made subject to the standard reprogramming and transfer guidelines:

| “Agency/Department:            | Recommendations: |
|--------------------------------|------------------|
| Department of the Treasury     | \$10,523,000     |
|                                | 13,813,000       |
|                                | 4,931,000        |
|                                | 19,530,000       |
|                                | 58,000           |
|                                | 2,729,000        |
|                                | 40,000           |
|                                | 334,000          |
| Department of Agriculture      |                  |
| U.S. Forest Service            | \$ 1,300,000     |
| Department of Interior         | \$ 1,300,000     |
| U.S. Bureau of Land Management | 312,000          |
| U.S. Fish and Wildlife Service | 195,000          |
| Department of Justice          | \$ 4,891,000"    |

No breakdown within Treasury was provided with regard to which functions would be funded at which level. The supplemental funds for FY2001 would be used to reimburse Department of the Treasury's bureaus and other federal agencies providing operational and perimeter security support. The funding was also for overtime, travel and other related costs such as lodging and equipment. It should be noted that a recent General Accounting Office study stated that through FY1999 the total Olympic support spending from all federal sources was \$1.3 billion.<sup>73</sup>

---

<sup>72</sup> P.L. 107-20, July 24, 2001 and U.S. Congress, Conference Committee, 2001, *Making Supplemental Appropriations for the Fiscal Year Ending September 30, 2001, and For Other Purposes*, conference report to accompany H.R. 2216, H. Rept. 107-148, 107<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington: GPO, 2001), p. 34.

<sup>73</sup> U.S. General Accounting Office, *Olympic Games: Federal Government Provides Significant Funding and Support*, GAO report GGD-00-183 (Washington: September 2000).

FY2001 Treasury Department and General Government appropriations Olympic support funding levels can be broken down in the following manner. The Treasury Department was funded at \$10,122,000 in FY2001, with \$51,624,000 proposed for FY2002 (FY2002 figures from President's budget). The funding is designated for counter terrorism and law enforcement activities. Specifically, with the FY2002 proposal in parentheses, the agencies within the department responsible for Olympic support are U.S. Secret Service (\$19,530,000), U.S. Customs Service (\$18,745,000), Bureau of Alcohol, Tobacco and Firearms (\$10,523,000), Financial Crimes Enforcement Network (\$58,000), IRS-Criminal Investigation (\$2,728,000), and Departmental Offices (\$40,000). The Office of National Drug Control Policy received \$3,000,000 for its anti-doping activity. The General Services Administration would receive \$1,544,000 for security, housing, and drug testing (\$919,000) and housing and security for the Paralympics (\$635,000). GSA was funded for FY2001 at \$3,310,000 for Olympic support.<sup>74</sup>

The House Committee on Appropriations stated, in their report,

The Committee is also concerned that the President's initial request did not include the \$60.6 million necessary to support Treasury law enforcement's role in the upcoming 2002 Winter Olympics; the Committee is nonetheless pleased that the President submitted a request for these funds within the fiscal year 2001 supplemental appropriations bill. Because these funds would not be spent until fiscal year 2001 had closed, the committee has included funding for these efforts in fiscal year 2002, which when they are needed.<sup>75</sup>

However, the House, in adopting the rule on, and passing, H.R. 2590 amended the reported version and struck the funding in support of security at the Olympics. (Note: The nearly 60 million dollars in funds provided for Olympic support in the 2001 supplemental are available until September 30, 2002) The Senate position was not discussed during the July 26 mark up of their appropriations provisions. Funds previously allocated for security at the Olympics have been reallocated as follows: \$2.9 million for the Customs Air and Marine Interdiction Program; \$2 million for the Customs Service for intellectual property rights enforcement; \$4.7 million for the Treasury's Federal Law Enforcement Training center; \$2.4 million for additional HIDTAs; \$20 million for GSA construction activities; and \$27.9 million for partial costs associated with pay parity for civilian employees. S. 1398, as reported by the Senate Committee on Appropriations, does not contain any new funding for security at the Winter Olympic Games in Salt Lake City. As passed by the Senate, H.R. 2590 is also silent on the issue. The House conference report on H.R. 2590 (H. Rept. 107-253) does not restore or include funding for the Salt Lake Olympic Games. On final passage, no additional funds were provided for Olympic security (P.L. 107-67, 115 Stat. 514). It should be noted however, that an additional 20 million dollars have been added to Olympic security efforts from the President's Emergency Response Fund.

---

<sup>74</sup> *FY2002 Budget, Analytical Perspectives*, pp.431- 434.

<sup>75</sup> House Report, p. 3.

## Cuban Travel Restrictions

While the House approved an amendment to ease the U.S. embargo on Cuba by prohibiting spending for administering or enforcing Treasury Department regulations related to Cuba travel, ultimately Congress did not include the provision in the conference report to H.R. 2590 (House Rpt. 107-253).

During July 25, 2001, floor action on H.R. 2590, the House debated two amendments that would ease U.S. sanctions on Cuba, approving one that would prohibit spending for administering Treasury Department regulations restricting travel to Cuba and rejecting the second that would prohibit Treasury Department funds from administering the overall U.S. embargo on Cuba. The first amendment, (H. Amdt. 241) offered by Representative Flake (which amended H. Amdt 240 offered by Representative Smith), would prohibit funding to administer the Cuban Assets Control Regulations (CACR) with respect to any travel or travel-related transaction. The CACR are administered by the Treasury Department's Office of Foreign Assets Control. The Flake amendment was approved by a vote of 240 to 186, compared to a vote of 232-186 for a similar amendment in last year's Treasury Department appropriations bill.

The second amendment (H. Amdt 242), offered by Representative Rangel, would have prohibited the use of Treasury Department funds to implement or enforce the economic embargo of Cuba. This amendment failed by a vote of 201-227, a much narrower margin compared to a similar amendment to last year's Treasury Department appropriations bill that was rejected by a vote of 174-241.

Ultimately, the House provision regarding Cuba travel restrictions was not included in the conference report to H.R. 2590 (House Rpt. 107-253). While the Senate version of the bill, approved September 19, 2001, did not include such a provision, Senator Byron Dorgan noted during floor debate that he had intended to offer an amendment on the issue, but that he decided not to because he did not want to slow passage of the bill. Senator Dorgan had indicated that he would support the House provision when it came in conference, but ultimately the House-Senate conference report on the bill did not include the Cuba provision. In light of the changed congressional priorities in the aftermath of the September 11 attacks on New York and Washington, conference negotiators reportedly did not want to slow passage of the bill with any controversial provisions. Moreover, the Bush Administration had threatened to veto the Treasury bill if it included the Cuba travel provision. (Also see: CRS Report RL30806, *Cuba: Issues for Congress*, and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Legislative Initiatives in the 107<sup>th</sup> Congress*.)

## Major Funding Trends

The House and Senate Appropriations Committees approve allocations to the various appropriations subcommittees. The House agreed to a budget resolution on

March 28, 2001.<sup>76</sup> Following several days of consideration, the Senate agreed to its version of H.Con.Res. 83 on April 6, 2001, by a vote of 65 to 35.<sup>77</sup> On May 9, 2001, the House agreed to the conference report.<sup>78</sup> The Senate agreed to the conference report the next day.<sup>79</sup> On October 12, the House Budget Committee reported H.R. 3084, for the purpose of adjusting the government-wide discretionary funding cap for FY2002.<sup>80</sup> The House and Senate Appropriations Committees allocate the discretionary funding levels (302(b)) allocations to each of the subcommittees.<sup>81</sup>

On June 13, 2001, the House Committee on Appropriations announced that the FY2002 discretionary spending budget authority allocation for the Treasury subcommittee would be \$16,880 million.<sup>82</sup> With the mandatory allocation at \$15,478 million, the total would \$32,358 million. On July 23, the committee revised the discretionary budget authority allocation to \$17,021 million.<sup>83</sup> On September 20, 2001, the House further revised the allocations, providing a discretionary budget authority allocation of \$17,022 million with the mandatory allocation unchanged.<sup>84</sup> On October 9, new allocations were reported, however, the Treasury allocation was unchanged.<sup>85</sup>

---

<sup>76</sup> U. S. Congress, House, Committee on the Budget, *Concurrent Resolution on the Budget, Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. 107-26, a report to accompany H.Con.Res. 83, March 23, 2001 (Washington: GPO, 2001). The vote was 222 - 205 (Roll no. 70). Text of the resolution and the report can be accessed through: [<http://www.house.gov/budget>].

<sup>77</sup> Congressional Budget for the United States Government for the Fiscal Years, 2001-2011, *Congressional Record*, daily edition, vol. 147, April 6, 2001, p. S3696.

<sup>78</sup> Congressional Budget for the United States Government for the Fiscal Years, 2001-2011, *Congressional Record*, daily edition, vol. 147, May 9, 2001, p. H2049. The vote was 221-207 (Roll no. 104).

<sup>79</sup> Congressional Budget for the United States Government for the Fiscal Years, 2001-2011, *Congressional Record*, daily edition, vol. 147, May 9, 2001, p.S4545-4581 and May 10, 2001, pp. S4776-4793. The vote was 53-47 (Vote Number 98).

<sup>80</sup> As of 4 p.m. Oct. 12, the report number reference was not available.

<sup>81</sup> The Web sites for the Committees, found through [<http://www.senate.gov>] and [<http://www.house.gov>], provide the allocations for each of the subcommittees.

<sup>82</sup> U.S. Congress, House, Committee on Appropriations, *Report on the Suballocation of Budget Allocations for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. No. 107-100 (Washington: GPO, June 13, 2001)

<sup>83</sup> U.S. Congress, House, Committee on Appropriations, *Report on the Suballocation of Budget Allocations for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. No. 107-153 (Washington: GPO, July 23, 2001)

<sup>84</sup> U.S. Congress, House, Committee on Appropriations, *Report on the Suballocation of Budget Allocations for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. No. 107-208 (Washington: GPO, Sept. 20, 2001)

<sup>85</sup> U.S. Congress, House, Committee on Appropriations, *Report on the Suballocation of Budget Allocations for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. No. 107-230 (Washington: GPO, Oct. 9, 2001)

On June 21, 2001, the Senate Committee on Appropriations approved a discretionary budget authority of \$16,972 million.<sup>86</sup> On September 19, the committee changed the Treasury allocation to \$17,118 million.<sup>87</sup> The October 11 report from the committee maintains that allocation.<sup>88</sup>

According to data received October 26 from the House Committee on Appropriations, the conference agreement provides \$17,069,000 in discretionary funding. The House Committee on Appropriations recommended, and the House passed, a total of \$17,021,000,000 in discretionary resources for accounts in H.R. 2590. S. 1398, as introduced and reported by the Senate Committee on Appropriations and H.R. 2590, as passed by the Senate, would provide a discretionary spending level of \$17,117,550.

**Table 5. Appropriations for the Treasury, Postal Service, Executive Office of the President, and General Government, FY1997 to FY2001**  
(in billions of current dollars)<sup>a</sup>

| FY1997 | FY1998 | FY1999 | FY2000 | FY2001 |
|--------|--------|--------|--------|--------|
| 24.102 | 25.585 | 27.122 | 28.257 | 30.8   |

**Source for FY2000:** U.S. Congress, House, Committee on Appropriations.

<sup>a</sup> These figures, in current dollars, **include CBO adjustments** for permanent budget authorities, rescissions, and supplementals, as well as other elements factored into the CBO scorekeeping process. For a brief presentation on CBO scorekeeping see: U.S. Congressional Budget Office, *Maintaining Budgetary Discipline: Spending and Revenue Options* (Washington: GPO, 1999). The appendix beginning on p. 281 provides the “Scorekeeping Guidelines,” as found in the conference report to the Balanced Budget Act of 1997. Also available at [<http://www.cbo.gov/>].

---

<sup>86</sup> U.S. Congress, Senate, Committee on Appropriations, *Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., S. Rept. No. 107-34 (Washington: GPO, June 21, 2001).

<sup>87</sup> U.S. Congress, Senate, Committee on Appropriations, *Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., S. Rept. No. 107-65 (Washington: GPO, Sept. 19, 2001).

<sup>88</sup> U.S. Congress, Senate Committee on Appropriations, *Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 2002*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., S. Rept. No. 107-81 (Washington: GPO, Oct. 11, 2001).

**Table 6. Treasury, Postal Service, Executive Office of the President, and General Government Appropriations, FY2002, by Title and Major Accounts**

(In millions, without CBO scorekeeping)

| <b>Title</b> | <b>FY2001<br/>Enacted</b> | <b>FY2002<br/>Request</b> | <b>House<br/>Passed</b> | <b>Senate<br/>Passed</b> | <b>P.L. 107-67</b> |
|--------------|---------------------------|---------------------------|-------------------------|--------------------------|--------------------|
| I. Treasury  | \$14,038.2                | \$14,631.7                | \$15,032.2              | \$14,908.6               | \$15,041.9         |
| II. USPS     | 95.9                      | 143.7                     | 143.7                   | 143.7                    | 143.7              |
| III. EOP     | 700.3                     | 731.7                     | 752.0                   | 755.5                    | 747.5              |
| IV. Agencies | 15,740.4                  | 16,528.2                  | 16,536.9                | 16,555.4                 | 16,559.9           |
| <b>Total</b> | <b>\$30,574.7</b>         | <b>\$31,968.3</b>         | <b>\$32,350.1</b>       | <b>\$32,296.4</b>        | <b>\$32,378.4</b>  |

**Source:** House Committee on Appropriations, provided October 26, 2001. FY2001 figures include application of 0.22% across-the-board rescission and the FY2001 supplemental funding through P.L. 107-20.

**Table 7. Department of the Treasury, Postal Service, Executive Office of the President, and General Government Appropriations**  
(in thousands of dollars)

Note: Funds allocated to these accounts through the Emergency Response Fund pursuant to P.L. 107-38 and P.L. 107-117 are included in the Supplemental column. See Tables 3 and 4 for further detail.

| Bureau or Agency  | FY2001 Enacted Including Supp.(1) | FY2002 Request | House Passed | Senate Passed | P.L. 107-67 | Supplements P.L. 107-38 P.L. 107-117 |
|---|-----------------------------------|----------------|--------------|---------------|-------------|--------------------------------------|
| <b>Title I: Department of the Treasury, Selected Accounts</b>   |                                   |                |              |               |             |                                      |
| Department Offices  | <b>222,337</b>                    | 181,768        | 174,219      | 187,322       | 177,142     | 15,500                               |
| Department-wide Systems and Capital Investments Programs        | 62,150                            | 70,828         | 68,828       | 69,028        | 68,828      | --                                   |
| Treasury Building Repair and Restoration                        | 30,932                            | 32,932         | 30,932       | 32,932        | 28,932      | --                                   |
| Office of Inspector General                                     | 32,827                            | 35,150         | 35,508       | 35,150        | 35,424      | --                                   |
| Inspector General for Tax Administration                        | 118,166                           | 122,342        | 123,474      | 123,799       | 123,746     | 2,032                                |
| Expanded Access to Financial Services                           | <b>9,978</b>                      | 0              | 10,000       | -8,000        | 2,000       | --                                   |
| Financial Crimes Enforcement Network                            | <b>32,493</b>                     | 45,155         | 45,837       | 45,702        | 45,837      | 1,760                                |
| Counterterrorism Fund (emergency funding)                       | 54,879                            | 44,879         | 36,879       | 44,879        | 40,000      | --                                   |
| Federal Law Enforcement Training Center                         | 153,350                           | 122,602        | 129,666      | 139,751       | 139,114     | 31,500                               |
| Interagency Crime and Drug Enforcement                          | 103,248                           | 106,487        | 107,576      | 106,965       | 107,576     | --                                   |
| Financial Management Service, Salaries and Expenses             | <b>255,972</b>                    | 211,594        | 213,211      | 212,316       | 212,850     | 110                                  |
| Bureau of Alcohol, Tobacco, and Firearms, Salaries and Expenses | 771,143                           | 803,521        | 806,816      | 821,421       | 810,316     | 32,961                               |
| <i>GREAT grants</i>   | 0                                 | 0              | 10,000       | 16,000        | 13,000      |                                      |
| U.S. Customs Service  | 2,279,294                         | 2,385,226      | 2,669,289    | 2,555,922     | 2,688,049   | 437,340                              |
| Bureau of the Public Debt                                       | 182,699                           | 185,370        | 187,927      | 187,318       | 186,953     | --                                   |
| Payment of government losses in shipment                        | 1,000                             | 1,000          | 1,000        | 1,000         | 1,000       | --                                   |
| Internal Revenue Service, Total                                 | <b>8,888,926</b>                  | 9,422,387      | 9,457,439    | 9,450,387     | 9,437,079   | --                                   |
| <i>Processing, Assistance, and Management</i>                   | <b>3,661,166</b>                  | 3,783,347      | 3,808,434    | 3,786,347     | 3,797,890   | 14,910                               |
| <i>Earned Income Tax Credit Compliance Initiative</i>           | 144,681                           | 146,000        | 146,000      | 146,000       | 146,000     | --                                   |
| <i>Tax Law Enforcement</i>                                      | 3,366,380                         | 3,533,198      | 3,538,347    | 3,535,198     | 3,538,347   | 6,714                                |
| <i>Information Systems</i>                                      | 1,522,416                         | 1,563,249      | 1,573,065    | 1,563,249     | 1,563,249   | 16,441                               |
| <i>Business Systems Modernization</i>                           | 71,593                            | 396,593        | 391,593      | 419,593       | 391,593     | --                                   |

| Bureau or Agency  | FY2001 Enacted Including Supp.(1) | FY2002 Request | House Passed   | Senate Passed  | P.L. 107-67    | Supplements<br>P.L. 107-38<br>P.L. 107-117 |
|---|-----------------------------------|----------------|----------------|----------------|----------------|--|
| <i>Staffing Tax Administration For Balance and Equity</i>   | 140,690                           | 0              | 0              | 0              | 0              | --   |
| U.S. Secret Service   | 833,806                           | 860,469        | 923,569        | 902,967        | 924,072        | 141,483                                    |
| <b>Total, Treasury</b>  | <b>14,038,200</b>                 | 14,631,710     | 15,032,170     | 14,908,859     | 15,041,918     | --   |
| <i>Current Year, FY2001</i>   | 13,903,877                        | --             | --             | --             | --             | --   |
| <i>Appropriations</i>   | --                                | --             | --             | --             | --             | --   |
| <i>Rescission</i>   | (-30,925)                         | --             | --             | --             | --             | --   |
| <i>Emergency Funding</i>  | (55,000)                          | --             | --             | --             | --             | --   |
| <b>Title II: U.S. Postal Service</b>  |                                   |                |                |                |                |  |
| Payment to Postal Service Fund  | 28,936                            | 76,619         | 29,000         | 76,619         | 29,000         | 675,000                                    |
| <i>Advance Appropriation, FY2002</i>  | 67,093                            | 67,093         | 67,093         | 67,093         | 67,093         | --   |
| <i>Advance Appropriation, FY2003</i>  | --                                | --             | 47,619         | --             | 47,619         |  |
| <i>Rescission</i>   | (-205)                            | --             | --             | --             | --             | --   |
| <b>Total, Postal Service</b>  | <b>95,888</b>                     | <b>143,712</b> | <b>143,712</b> | <b>143,712</b> | <b>143,712</b> | --   |
| <b>Title III: Executive Office of the President (EOP) and Funds Appropriated to the President (2)</b> |                                   |                |                |                |                |  |
| Executive Office of the President   | 0                                 | 237,775        | 139,255        | 0              | 0              | --   |
| Compensation of the President   | 390                               | (450)          | (450)          | 450            | 450            | --   |
| The White House Office (salaries and expenses)  | 53,171                            | (54,165)       | (54,651)       | 54,165         | 54,651         | --   |
| Executive Residence at the White House (operating expenses)   | 10,876                            | (11,914)       | (11,695)       | 11,914         | 11,695         | --   |
| White House Repair and Restoration  | 966                               | (8,625)        | (8,625)        | 8,625          | 8,625          | --   |
| Office of the Vice President (salaries and expenses)  | 3,665                             | (3,896)        | (3,925)        | 3,896          | 3,925          | --   |
| Official Residence of the Vice President (operating expenses)   | 353                               | (314)          | (318)          | 314            | 318            | --   |
| Council of Economic Advisers  | 4,101                             | (4,192)        | 4,211          | 4,192          | 4,211          | --   |
| Office of Policy Development  | 4,023                             | (4,119)        | (4,142)        | 4,119          | 4,142          | --   |
| National Security Council   | 7,149                             | (7,447)        | (7,494)        | 7,447          | 7,494          | 4,800                                      |
| Office of Administration  | 43,641                            | (46,032)       | (46,955)       | 46,032         | 46,955         | 82,765                                     |
| Office of Management and Budget   | 68,635                            | (70,521)       | 70,752         | 70,519         | 70,752         | --   |
| Office of National Drug Control Policy (ONDCP) Salaries and Expenses                                  | 24,705                            | (25,100)       | 25,267         | 25,096         | 25,263         | --   |
| ONDCP Counterdrug Technology Assessment Center  | 35,974                            | 40,000         | 40,000         | 42,000         | 42,300         | --   |

| Bureau or Agency  | FY2001 Enacted Including Supp.(1) | FY2002 Request | House Passed | Senate Passed | P.L. 107-67 | Supplements<br>P.L. 107-38<br>P.L. 107-117 |
|---|-----------------------------------|----------------|--------------|---------------|-------------|--|
| <i>Federal Drug Control Program, High Intensity Drug Trafficking Areas Program (HIDTA)</i>    | 206,046                           | 206,350        | 233,882      | 226,350       | 226,350     | 2,300                                      |
| <i>Federal Drug Control Program, Special Forfeiture Fund</i>                                  | 233,086                           | 247,600        | 238,600      | 249,400       | 239,400     | --   |
| Funds Appropriated to the President - Unanticipated Needs                                     | 998                               | (1,000)        | (1,000)      | 1,000         | 1,000       | 51,000                                     |
| <i>Elections Commission - Puerto Rico</i>   | 2,494                             | 0              | 0            | 0             | 0           | --   |
| <b>Total, EOP and Funds Appropriated to the President</b>                                     | 700,273                           | 731,725        | 751,967      | 755,519       | 747,531     | --   |
| Appropriation   | 701,815                           | --             | --           | --            | --          | --   |
| Rescission  | (-1,465)                          | --             | --           | --            | --          | --   |
| <b>Title IV: Independent Agencies</b>   |                                   |                |              |               |             |  |
| Committee for Purchase from People Who Are Blind or Severely Disabled                         | 4,149                             | 4,498          | 4,629        | 4,498         | 4,629       | --   |
| Federal Election Commission   | 40,411                            | 41,411         | 43,689       | 43,993        | 43,689      | --   |
| Federal Labor Relations Authority   | 25,003                            | 26,378         | 26,524       | 26,378        | 26,524      | --   |
| General Services Administration   | 657,968                           | 474,476        | 459,021      | 466,550       | 472,081     | --   |
| <i>Federal Buildings Fund</i>   | 476,523                           | 276,400        | 276,400      | 276,400       | 284,400     | 135,112                                    |
| <i>Advance Appropriations FY2002-2004</i>   | 276,400                           | 0              | 0            | 0             | 0           | --   |
| <i>Policy and Operations</i>  | 137,406                           | 138,499        | 137,947      | 145,749       | 143,139     | --   |
| <i>Office of Inspector General</i>  | 34,444                            | 36,025         | 36,478       | 36,025        | 36,346      | --   |
| <i>Electronic Government (E-GOV)</i>  | 0                                 | 20,000         | 5,000        | 5,000         | 5,000       | --   |
| <i>Allowances and Office Staff for Former Presidents</i>                                      | 2,511                             | 3,552          | 3,196        | 3,376         | 3,196       | --   |
| <i>Expenses, Presidential Transition</i>  | 7,084                             | 0              | 0            | 0             | 0           | --   |
| Merit Systems Protection Board (salaries and expenses)  | 29,372                            | 30,375         | 30,555       | 30,375        | 30,555      | --   |
| <i>Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation</i> | 1,996                             | 1,746          | 0            | 0             | 0           | --   |
| <i>Morris K. Udall Trust Fund</i>   | 0                                 | 0              | 2,500        | 1,996         | 1,996       | --   |
| <i>Environmental Dispute Resolution Fund</i>  | 1,248                             | 1,309          | 1,309        | 1,309         | 1,309       | --   |

| Bureau or Agency   | FY2001 Enacted Including Supp.(1) | FY2002 Request    | House Passed      | Senate Passed     | P.L. 107-67       | Supplements<br>P.L. 107-38<br>P.L. 107-117 |
|--|-----------------------------------|-------------------|-------------------|-------------------|-------------------|--|
| National Archives and Records Administration                                   | 310,834                           | 252,714           | 272,278           | 285,214           | 283,214           | --   |
| <i>Operating Expenses</i>  | 208,946                           | 244,247           | 244,247           | 244,247           | 244,247           | 1,600                                      |
| <i>Reduction of Debt</i>   | -6,084                            | -6,612            | -6,612            | -6,612            | -6,612            | --   |
| <i>Repairs and Restoration</i>   | 101,536                           | 10,643            | 24,643            | 41,143            | 39,143            | 1,000                                      |
| <i>National Historical Publications and Records Commission: Grants Program</i> | 6,436                             | 4,436             | 10,000            | 6,436             | 6,436             | --   |
| Office of Government Ethics  | 9,663                             | 10,060            | 10,117            | 10,060            | 10,117            | --   |
| Office of Personnel Management   | 14,608,948                        | 15,633,378        | 15,634,078        | 15,633,378        | 15,634,078        | --   |
| <i>Salaries and Expenses</i>   | 93,888                            | 99,036            | 99,636            | 99,036            | 99,636            | --   |
| <i>Office of Inspector General</i>   | 1,357                             | 1,398             | 1,498             | 1,398             | 1,498             | --   |
| <i>Government Payment for Annuitants, Employees Health Benefits</i>            | 5,427,166                         | 6,145,000         | 6,145,000         | 6,145,000         | 6,145,000         | --   |
| <i>Government Payment for Annuitants, Employees Life Insurance</i>             | 35,000                            | 33,000            | 33,000            | 33,000            | 33,000            | --   |
| <i>Payment to Civil Service Retirement and Disability Fund</i>                 | 8,940,051                         | 9,229,000         | 9,229,000         | 9,229,000         | 9,229,000         | --   |
| Office of Special Counsel  | 11,122                            | 11,784            | 11,891            | 11,784            | 11,891            | --   |
| United States Tax Court  | 37,223                            | 37,305            | 37,809            | 37,305            | 37,305            | --   |
| <b>Total, Independent Agencies</b>   | <b>15,740,361</b>                 | <b>16,528,204</b> | <b>16,536,920</b> | <b>16,555,360</b> | <b>16,559,908</b> | --   |
| <i>Current Year, FY2001</i>  | <i>15,709,978</i>                 | --                | --                | --                | --                | --   |
| <i>Appropriations</i>  | <i>(15,709,978)</i>               | --                | --                | --                | --                | --   |
| <i>Rescissions</i>   | <i>est. (34,562)</i>              | --                | --                | --                | --                | --   |
| <i>Advanced Approp., FY2002-2004</i>   | <i>276,400</i>                    | --                | --                | --                | --                | --   |

**Sources:**

FY2001: Conference Report on H.R. 5658, as enacted through P.L. 106-554, *Congressional Record*, vol. 146, Dec. 15, 2000, p. H12230-H12258. Chart showing Treasury and General Government accounts in detail appears on p. H12249-H12258. Accounts differing from those figures reflect totals calculated by incorporating additional funding through P.L. 106-346 and P.L. 106-275, as amended. Data include funding through the FY2001 supplemental, as provided by the House Committee on Appropriations, July 26, 2001.

FY2002: Data received from House Committee on Appropriations, October 26, 2001.

1. FY2001 supplemental funding was enacted through P.L. 107-20, July 20, 2001.
2. For FY2002, the White House proposed that there be one account for the Executive Office of the President and that the President then would have the latitude to disperse the funds to accounts within the EOP. In effect the request and the House-passed totals for FY2002 would be zeroed out. The data shown in parentheses in these columns represent the funding levels reported by the House Committee on Appropriations as of September 6, 2001.

## General Government Function (800)

The budget is organized by broad functions. The General Government function (often referred to as the 800 function because of its numerical designation) encompasses the central management activities of the executive and legislative branches. Several of the appropriations bills fund accounts which would fall within the general rubric of this function. Major activities identified with the General Government function include federal financial management, such as tax collection, currency, and governmentwide accounting; personnel management, and general administrative and property management. In summary the discretionary budget authority for function 800 in FY2002 is proposed at \$14,773 million, the mandatory outlays at \$1,798 million, with an additional \$7 million proposed.<sup>89</sup>

The four executive branch agencies responsible for these activities are the Department of the Treasury, the General Services Administration, the Office of Personnel Management; and the Office of Management and Budget. Each of these is discussed below with regard to the funding decisions during the course of the appropriations cycle. However, in the context of the function as a whole, initiatives and expectations for the four agencies by the Bush Administration are set out here.

### Department of the Treasury

The Department of the Treasury is the federal government's financial agent, produces currency, develops tax policy, and has law enforcement responsibilities. The budget projects that, in FY2002, the department will collect an estimated \$2.2 trillion in tax and tariff revenues; issue more than \$2 trillion in marketable securities and savings bonds to finance government activities; and produce 7.5 billion Federal Reserve Notes, 12 billion postage stamps, and 27 billion coins.

**Internal Revenue Service.** The President's budget requests \$397 million to modernize computer systems and requests follow-on funding for the Staffing Tax Administration for Balance and Equity (STABLE) initiative begun in FY2001. Four targets for critical IRS performance measures in FY2002 are to improve customer satisfaction; to continue to improve customer service through its toll-free assistance; to receive 38 % (up from 28% in 2000) of individual returns filed electronically; and to reverse the drop in enforcement activity by closing over 300,000 field tax examinations.

**Financial Management Service (FMS).** In FY2002, FMS plans to increase the percentage of Treasury payments electronically, to increase the total dollar amount of federal government receipts collected electronically; and to increase the amount of delinquent debt referred from federal agencies to FMS for collection.

**Bureau of the Public Debt.** The bureau plans to issue at least 95% of over-the-counter bonds within three weeks of their purchase; to conduct all marketable

---

<sup>89</sup> *FY2002 Budget, Budget*, pp. 137-141 for a discussion of the function and pp. 151-220 for detailed functional tables.

securities auctions without error; and announce auction results within one hour 95% of the time.

**U.S. Mint.** The FY2002 performance goals for the U.S. Mint are to introduce the fourth five-State series in the 50 States Commemorative Quarter Program and to maintain high levels of customer service.

**Bureau of Engraving and Printing.** The bureau plans to continue to meet all Federal Reserve and U.S. Postal Service orders and prevent more than 0.05 notes per million from being returned by the Federal Reserve because of counterfeit deterrence defects.

## General Services Administration

The General Services Administration (GSA) provides management of space, products, and services to support the administrative needs of federal agencies. In terms of goals, in FY2002:

- the Public Buildings Service plans to deliver 65% of its construction and 82% of its repair projects on schedule and within budget;
- the Federal Technology Service projects a 15% reduction in monthly line charges for local telephone service;
- the Federal Supply Service seeks to reduce its costs of operations in the Supply and Procurement Business Line by 17%; and
- the volume of purchases made with federal credit cards is expected to total \$20.4 billion, a 17% increase over 2000.

Since GSA provides services to agencies on a reimbursable basis, the agency budgets fund most of GSA's activities. The details of GSA direct funding is found in the discussion below and on Table 7. The budget projects obligations of \$18 billion through GSA's revolving funds. The agency also affects federal spending through its delegation of authority for real property disposal, building operations, and the procurement of pharmaceuticals. GSA will administer contracts through which agencies will purchase more than \$27 billion in goods and services outside the agency's revolving funds.

## Office of Personnel Management

The Office of Personnel Management (OPM) provides human resource management (HRM) leadership and services to federal agencies and employees. In FY2002 OPM projects that it will

- implement a fully-functional, on-line workforce planning system to meet the President's goal to flatten the federal hierarchy and help federal agencies align human resources with accomplishment of agency mission and goals;
- expand access to federal employment information by partnering with private sector companies to increase links to the USAJOBS web site and improve user satisfaction;
- increase by 10% the number of agencies with HRM accountability systems aligned with strategic missions and objectives;

- complete implementation of the Federal Employees Health Care Protection Act of 1998 (overseeing contractors and sustaining the integrity of the health program for federal employees); and
- conduct 15 nationwide agency oversight reviews, including reviews of executive branch agencies outside Title 5, to ensure federal agencies use merit principles in personnel actions.

## **Office of Management and Budget**

The Office of Management and Budget (OMB) is responsible for the development and execution of the federal budget. It also coordinates the review and examines the effectiveness of agency programs policies and procedures and has substantial involvement in interagency activities. Among the significant government wide statutes it implements are the Chief Financial Officers Act, the Government Performance and Results Act, the Government Management and Reform Act, the Clinger-Cohen Act, and the Federal Acquisitions Streamlining Act.

## **Tax Incentives**

As part of its general government function, the federal government provides substantial tax incentives that benefit state and local governments. These would include tax-exempt borrowing for public purposes, taxpayer deductions of state and local income tax, certain credits to corporations doing business with Puerto Rico and other U.S. possessions, and taxpayer credits for state inheritance and estate taxes against federal estate taxes.

# Glossary of Budget Process Terms

The following definitions are selected from the “Glossary of Budgetary Terms,” as found in CRS Report 98-720, *Manual on the Federal Budget Process*, by Robert Keith in consultation with Alan Schick.

**Account.** A control and reporting unit for budgeting and accounting.

**Appropriation.** A provision of law providing budget authority that permits federal agencies to incur obligations and to make payments, of the Treasury for specified purposes. Annual appropriations are provided in appropriations acts; most permanent appropriations are provided in substantive law.

**Authorization.** A provision in law that authorizes appropriations for a program or agency.

**Budget Authority.** Authority provided by law to enter into obligations that normally result in outlays. The main forms of budget authority are appropriations, borrowing authority, and contract authority.

**Budget Resolution.** A concurrent resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth the congressional budget for at least the next five fiscal years. The budget resolution sets forth various budget totals and functional allocations, and may include reconciliation instructions, to designated House or Senate committees.

**Continuing Resolution.** An act (in the form of a joint resolution) that provides budget authority to agencies or programs whose regular appropriation has not been enacted after the new fiscal year has started. A continuing resolution usually is a temporary measure that expires on a specified date or is superseded by enactment of the regular appropriations act. Some continuing resolutions, however, are in effect for the remainder of the fiscal year and are the means of enacting regular appropriations.

**Direct Spending.** Budget authority, and the resulting outlays, provided in laws other than annual appropriations acts. Appropriated entitlements are classified as direct spending. Direct spending is distinguished by the Budget Enforcement Act from discretionary spending and is subject to the PAGO rules. It is also referred to as “mandatory spending.”

**Discretionary Spending.** Budget authority, and the resulting outlays, provided in annual appropriations acts, but not including appropriated entitlements.

**Federal Funds.** All monies collected and spent by the federal government other than those designated as trust funds. Federal funds include general, special, public enterprise, and intragovernmental funds.

**Mandatory Spending.** See “Direct Spending.”

**Obligation.** A binding agreement (such as through a contract or purchase order) that will require payment.

**Outlays.** Payments made (generally through the issuance of checks or disbursement of cash) to liquidate obligations. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year.

**PAGO (Pay-as-You-Go) Process.** The procedure established by the Budget Enforcement Act to ensure that revenue and direct spending legislation does not add to the deficit or reduce the surplus. PAGO requires that any increase in the deficit or reduction in the surplus due to legislation be offset by other legislation or sequestration. PAGO is enforced by estimating the five-year budgetary effects of all new revenue and direct spending laws.

**Reconciliation Process.** A process established in the Congressional Budget Act by which Congress changes existing laws to conform tax and spending levels to the levels set in a budget resolution. Changes recommended by committees pursuant to a reconciliation instruction are incorporated into a reconciliation bill.

**Revolving Fund.** An account or fund in which all income derived from its operations is available to finance the fund's continuing operations without fiscal year limitation.

**Scorekeeping.** Procedures for tracking and reporting on the status of congressional budgetary actions affecting budget authority, receipts, outlays, the surplus or deficit, and the public debt limit.

**Supplemental Appropriation.** Budget authority provided in an appropriations act in addition to regular or continuing appropriations already provided. Supplemental appropriations acts sometimes include items not included in regular appropriations acts for lack of timely authorization.

**Trust Funds.** Accounts designated by law as trust funds for receipts and expenditures earmarked for specific purposes.

**User Fees.** Fees charged to users of goods or services provided by the federal government. In levying or authorizing these fees, Congress determines whether the revenue should go into the U.S. Treasury or should be available to the agency providing the goods or services.

# For Additional Reading

## Congressional Documents

U.S. Congress, House, Committee on Appropriations, *Treasury, Postal Service, and General Government Appropriations Bill, 2002*, a report to accompany H.R. 2590, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 107-152, July 23, 2001 (Washington: GPO, 2001).

\_\_\_\_\_, Committee on Conference, *Making Supplemental Appropriations for the Fiscal Year Ending September 31, 2001, and for Other Purposes*, a conference report to accompany H.R. 2216, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. 107-148, July 19, 2001 (Washington: GPO, 2001).

\_\_\_\_\_, Committee on Rules, *Providing for Consideration of H.R. 2590, Treasury and General Government Appropriations Act, 2002, a report to accompany H. Res. 206*, 107<sup>th</sup> Cong., 1<sup>st</sup> sess., H. Rept. 107-158, July 24, 2001 (Washington: GPO, 2001).

## CRS Products

### ***Appropriations.***

CRS Report RL30202. *Appropriations for FY2000: Treasury, Postal Service, Executive Office of the President, and General Government*, coordinated by Sharon S. Gressle.

CRS Report RL30502. *Appropriations for FY2001: Treasury, Postal Service, Executive Office of the President, and General Government*, coordinated by Sharon S. Gressle.

### ***Cuba.***

CRS Report RL30806. *Cuba: Background and Current Issues for Congress*, by Mark P. Sullivan.

CRS Report RS20409. *Cuba: U.S. Restrictions on Travel and Legislative Initiatives in the 106<sup>th</sup> Congress*, by Mark P. Sullivan.

### ***Federal Employee Child Care Policy.***

CRS Report RL30944. *Child Care Issues in the 107th Congress*, by Melinda T. Gish.

### ***Federal Employee Health Benefits Policy.***

CRS Report RL30336. *The Federal Employees Health Benefits Program*, by Carolyn L. Merck.

CRS Report RS20818. *Federal Employees Health Benefits Program: Brief Facts*, by Carolyn Merck.

CRS Report RS20644. *Long-term Care Insurance for Federal Personnel*, by Carolyn L. Merck.

CRS Report RL30254. *Long-term Care: The President's FY2001 Budget Proposals and Related Legislation*, by Carol V. O'Shaughnessy, Bob Lyke, and Carolyn L. Merck.

### ***Federal Employee Retirement Policy.***

CRS Report RL30023. *Civil Service Retirement Programs: Financing and Budget Status*, by Patrick Purcell.

CRS Report 94-971. *Pay and Retirement Benefits for Federal Employees: Increases Since 1969*, by Pat Purcell.

### ***Federal Salary Policy.***

CRS Report RL30359. *Federal Pay: FY2001 Salary Adjustment*, by Barbara L. Schwemle.

CRS Report RL30744. *Federal Pay: FY2002 Salary Adjustment*, by Barbara L. Schwemle.

CRS Report RS20278. *Judicial Salaries: Current Situation*, by Sharon S. Gressle.

CRS Report 94-971. *Pay and Retirement Benefits for Federal Employees: Increases Since 1969*, by Pat Purcell.

CRS Report RS20709. *Presidential Transition 2000-2001: Background and Federal Support*, by Stephanie Smith.

CRS Report 98-53. *Salaries of Federal Officials*, by Sharon S. Gressle.

CRS Report RL30014. *Salaries of Members of Congress: Current Procedures and Recent Adjustments*, by Paul E. Dwyer.

CRS Report 97-1011. *Salaries of Members of Congress: Payable Rates and Effective Dates, 1789-2001*, by Paul E. Dwyer.

CRS Report RS20388. *Salary Linkage: Members of Congress and Other Federal Officials*, by Sharon S. Gressle.

CRS Report RS20114. *Salary of the President Compared with That of Other Federal Officials*, by Sharon S. Gressle.

CRS Report RS20111. *Travel Costs of the President, Vice President, and First Lady*, by Rogelio Garcia.

## ***Homeland Security.***

CRS Report RL31148. *Homeland Security: the Presidential Coordination Office*, by Harold C. Relyea

## ***Human Resources Management Organizations.***

CRS Report RL30194. *Merit Systems Protection Board: Background, Strategic and Performance Plans, and Congressional Oversight*, by Barbara L. Schwemle.

CRS Report 98-773. *Office of Personnel Management: Background, Strategic and Performance Plans, and Congressional Oversight*, by Barbara L. Schwemle.

CRS Report RL30450. *United States Office of Special Counsel: Background, Strategic and Performance Plans, and Congressional Oversight*, by Barbara L. Schwemle.

## ***Postal Service.***

CRS Report RL31069. *Postal Service Financial Problems and Stakeholder Proposals*, by Nye Stevens

CRS Report RS21025. *The Postal Revenue Forgone Appropriation: Overview and Current Issues*, by Nye Stevens

CRS Report RS20921. *Semipostal Stamps: Authorization, Revenue, and Selection Criteria*, by Nye Stevens

## ***Terrorism.***

CRS Electronic Briefing Book (ebter1), *Terrorism Briefing Book: Legislative Issues*, [<http://www.congress.gov/brbk/html/ebter1.shtml>]

## ***Treasury Department and Agencies.***

CRS Issue Brief IB10071. *Gun Control Legislation in the 107<sup>th</sup> Congress*, by William J. Krouse, Jr.

CRS Report RL30536. *IRS: Status of Restructuring and Reform at the Opening of the 107<sup>th</sup> Congress*, by Sylvia Morrison.

CRS Report RL31040. *National Integrated Ballistics Information Network (NIBIN) or Law Enforcement*, by William C. Boesman and William J. Krouse, Jr.

CRS Report RL31019. *Terrorism: Automated Lookout Systems and Border Security Options and Issues*, by William J. Krouse, Jr. and Raphael Perl.

CRS Report RL31230. *U.S. Customs Service Authorization, FY2002 Budget, and Related Border Management Issues*, by William J. Krouse.

## Other Readings

Syracuse University, Maxwell School of Citizenship and Public Affairs, Government Performance Project, *Grading Government*, (Syracuse, NY: Syracuse University, February 1999).

U.S. Congressional Budget Office, *Budget Options*, February 2001 (Washington: GPO, 2001). [Available on CBO Web site.]

-----, *Maintaining Budgetary Discipline: Spending and Revenue Options* (Washington: GPO, 1999). [Available on CBO Web site.]

U.S. Department of the Treasury, U.S. Customs Service, *U.S. Customs Service Strategic Plan (FY97-02)*, by Commissioner of Customs George Weiss, (Washington: U.S. Customs Service, August 1, 1997).

U. S. Executive Office of the President, Office of Management and Budget, *A Blueprint for a New Beginning, A Responsible Budget for America's Priorities*, (Washington: GPO, 2001).

U.S. General Accounting Office, *High Risk Series: An Update*, GAO report GAO-01-263, (Washington: January 2001)

-----, *High Risk Series, IRS Management*, GAO Report HR 97-8 (Washington: February 1997).

-----, *Customs Service: Comments on Strategic Plan and Resource Allocation Process*, GAO Report GGD-98-15, (Washington: October 16, 1998).

-----, *Major Management Challenges and Program Risks: Department of the Treasury*, GAO report OCG-99-14, (Washington: October 21, 1998).

-----, Performance and Accountability Series, *Major Management Challenges and Program Risks: A Governmentwide Perspective*, GAO report GAO-01-241, (Washington: January 2001).

----- *Major Management Challenges and Program Risks: Department of the Treasury*, GAO report GAO-01-254, (Washington: January 2001).

-----, *Major Management Challenges and Program Risks: U. S. Postal Service*, GAO report GAO-01-262, (Washington: January 2001).

## **Selected World Wide Web Sites**

Information regarding current and past budgets (including budget documents), the federal budget process, and duties and functions are available at the following web sites.

Congressional Budget Office (CBO)  
[<http://www.cbo.gov>]

General Accounting Office (GAO)  
[<http://www.gao.gov>]

National Commission on Restructuring the Internal Revenue Service  
[<http://www.house.gov/natcommirs/main.htm>]

Office of Government Ethics  
[<http://www.usoge.gov>]

Office of Management and Budget (OMB)  
[<http://www.whitehouse.Gov/OMB/index.html>]

Office of Management and Budget, Statements of Administration Policy (SAPS)  
[<http://www.whitehouse.Gov/OMB/legislative/sap/index.html>]

For general access to federal agencies, use the gateway provided at:  
[<http://www.firstgov.gov>]